

THE SOUTHWESTERN SOCIAL SCIENCE QUARTERLY

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Prestige Patterns in Scholarship and Science*

LOGAN WILSON
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Despite the popular sentiment that merit is somehow eventually recognized and rewarded, only the naive presume the existence of any automatic mechanism for this purpose. The nexus between performance and prestige is indeed a nebulous one in many fields of endeavor, and particularly so in scholarship and science. In these fields money is not a valid common denominator of success, so that the attachment of prestige symbols becomes exceeding complicated. The processes involved are crucial to the direction of scholarly and scientific enterprise, yet there is comparatively little objective knowledge of them. About all we know is that many men receive some local acclaim, others succeed in making themselves conspicuous on the national scene, some achieve high contemporary reputations of some duration, and the few who are really accorded fame must by definition have it conferred posthumously.

Ultimate verdicts must await posterity, but present urgencies require a constant process of appraisal in the selection of members for exclusive learned societies, and in the election of officers, designation of experts, and selection of men for college and university chairs. College administrators often settle the problem

* A paper read before the Southwestern Sociological Society, Dallas, Texas, April 2, 1942. The author wishes to thank the Tulane University Council on Research for financial assistance in completing the study.

of status assignment by precedent, fiat, or consensus, in lieu of any precise mechanism for determining distinctions.¹ The problem being addressed here, however, is not how administrators appraise staff members, but how specialists in various fields are rated by their fellow specialists.

To throw some light on this question a questionnaire was recently sent to 1,275 individuals chosen at random from the membership rosters of twelve different learned societies. The general techniques of polling were somewhat similar to those employed by J. McKeen Cattell for his *American Men of Science*.² Cattell's qualification of his results with the statement that his figures "show the reputation of the men among experts, but not necessarily their ability of performance," also applies to our inquiry, but our conclusions are less sweeping, and there is no presumption that the average of the judgments of large numbers of specialists is the most expert or "nearly correct" judgment.

Notwithstanding this, it should be borne in mind that a man's reputation is nothing more than what his fellows think of him. Their opinions are thus a datum and may be treated as such. There are, to be sure, discrepancies between present and future judgments, mass and elite judgments, and since all lie partially within the realm of values, there is no entirely objective way of arriving at a non-existent "true" judgment. The most one can do is simply to record what men say and accept their statements as data to be manipulated and interpreted.

In attempting to find out what men are most highly regarded by their contemporaries and why they are so considered, twelve fields were arbitrarily chosen for investigation. They were: biology, botany, chemistry, economics, English, history, mathematics, philosophy, physics, political science, psychology, and sociology. Some of these were selected for similarity and others for difference. After extensive pre-testing of alternative phrasings, and considera-

¹ The administrative aspects of staff evaluation are treated at some length in my recent monograph, *The Academic Man*, N. Y., 1942.

² For Cattell's procedures, see "A Statistical Study of American Men of Science," *Science*, XXIV, 1906, 539, 699-707, and "A Further Statistical Study of American Men of Science," XXXII, 1910, 633-648, 672-688. See also his Appendix in *American Men of Science*, N. Y., 1927, 1111.

tion of the possibilities of calling for direct rankings, paired comparisons, and confrontation of subjects with prepared lists of names from which they were to check, the following explanatory letter and questionnaire were drawn up and sent to each of 1,275 persons distributed among the twelve different fields (see Table I). The explanatory letter read in part:

The purpose of this investigation is to find out which living men are thought to have made the most valuable contributions, why they are so considered, and how criteria and distributions vary among different categories of respondents from one field to another. The published results should throw light on certain problems in which all academicians are interested.

This should require only a few minutes, since it is desired that you give your present general impressions or free responses without reference to name indexes or other printed listings. Your signature is unnecessary, for all data obtained are to be treated anonymously.

A second questionnaire asked respondents to indicate in spaces provided at the top of the page the institutions where they were trained, where employed at the time, and their age, academic rank, and specialties within the field. A sample set of instructions (for economists) read as follows:

(1) Please give below an *unranked* listing of the ten economists now living in America whom you consider to have made the most valuable contributions to the field of economics. (2) Place an x before the name of each person known to you to be outstanding as a classroom teacher or lecturer. (3) Also—if you are willing to take the additional time—indicate briefly in the space at the right of each name the main reasons for inclusion, continuing on back side of sheet if more space is needed.

Since a major purpose of the inquiry was to find out operationally what the phrase "valuable contributions" meant to the respondents, as demonstrated by their listings and reasons, no criteria were specified in advance.

There were some obvious methodological difficulties that had to be compromised. The desired number of names to be listed was arbitrarily set at 10, a number deemed neither too restrictive nor too inclusive. Even so, both in pre-testing interviews and in letters from respondents, it was evident that while some persons encountered difficulties in thinking of 10 men to include, others objected to being limited to this extent. Likewise, the field variations in range of possible choice complicated matters; for example, there are approximately twenty-five times as many members of the American Chemical Society as there are in the American

Philosophical Association. Still another complication of comparison is that some fields show a higher degree of compartmentalization or specialization than do others, so that persons working in one branch may be hardly aware of the important contributors in other branches. These difficulties do not appear to have affected the returns by fields in markedly different ways, however, and through various internal checks the representativeness of the returns may be tested by procedures which will now be described.

The universe from which the experimental samples were drawn consisted of the total number of academic members in the principal society of each field (see Table I). The experimental sample, i. e., those people polled, was obtained by dividing the universe from which the sample was drawn by a number representing the size of the sample desired (100 in all except two fields), and then reading down the association roster and taking every person whose name was at the interval represented by this quotient. To illustrate: for sociologists, every tenth name in the Society membership (unless non-academic, in which case the next academic name was taken) was used as a member of the sample to be polled. In

TABLE I
Frequency Analysis of Universe, Sample, and Returns

Fields Polled	Universes From Which Samples Were Drawn	Size of Sample	Number of Usable Returns	Number of Different Names Mentioned	Average Number of Names Per Return
Biology	979	100	39	118	3.03
Botany	1089	75	28	97	3.46
Chemistry	6915	100	36	107	2.97
Economics	3037	200	97	199	2.05
English	1975	100	52	138	2.65
History	3188	100	59	110	1.86
Mathematics	1873	100	35	87	2.49
Philosophy	666	100	55	79	1.44
Physics	3751	100	41	74	1.80
Political Science	1536	100	39	74	1.90
Psychology	2763	100	61	112	1.84
Sociology	1001	100	65	110	1.69
Totals	28,772	1275	607	1305	Av. 2.15

* These figures represent the total membership in each of the principal societies by fields, with the exceptions of chemistry and English. At the last tabulation, the American Chemical Society had 17,325 members, only 6,915 (23.3 per cent) being in academic work. The Modern Language Association includes men in fields other than English; it is estimated by the Association that 1,975 (45 per cent) of its members are in the field of English.

speaking of the returns, reference is made to the questionnaires mailed back by respondents.

The homogeneity of the returns was determined by the Chi square test. The sample was checked for homogeneity with respect to academic rank and section where the respondent was employed at the time he made out his questionnaire and at the time he was listed in the roster of his society. If the hypothesis be set forth and tested that the useable returns are homogeneous with the experimental sample with respect to sections (Northwest, Southwest, Far West, Northeast, Middle States, and Southeast), it can be seen from Table II that for sociology and economics the hypothesis is not untenable. Similar results are obtained when the sociology universe is compared to the useable returns, and in botany and psychology when tested according to academic rank (professor, associate professor, assistant professor, instructor, and other.) In other words, it is clear that in the Chi square tests run for the items selected, the hypothesis that the useable returns are representative of the universe is not untenable.

TABLE II
Tests for Homogeneity
(Chi Square and Probability)

According to Sections	Field		P
Universe vs. useable returns	Sociology	8.8175	.119
Experimental sample vs. us. returns (Us. returns inc. in exper. sample)	Economics	5.7262	.339
Exp. sample vs. useable returns (Us. ret. excluded from exp. samp.)	Economics	16.0740	.002
Exp. sample vs. useable returns (Us. ret. included in exp. samp.)	Sociology	.7673	.900
Exp. sample vs. useable returns (Us. ret. excl. from exp. samp.)	Sociology	3.3470	.006
According to Academic Rank			
Exp. sample vs. useable returns	Botany	5.012	.287
Exp. sample vs. useable returns	Psychology	5.185	.278

In order to determine whether the useable returns were of sufficient number, or whether a larger quantity of the sample would have changed the results appreciably, it was decided to perform a rank order correlation between results (number of votes received by first ten or twenty men mentioned in each field) be-

tween half of the useable returns and the total results. From Table III it can be seen that only in the field of history would it be certain that if the sample had been larger the order of rankings would have been different. For biology, chemistry, economics, mathematics, psychology, philosophy, physics, political science, and sociology it can be safely said that a larger sample (similarly obtained) would not have changed the results to any significant degree, if at all. English and botany are somewhat questionable, but it is doubtful that a larger but similar sample would have made any difference.

TABLE III
Coefficient of Rank Correlation

Field	R*
Biology	.96
Botany	.72
Chemistry	.89
Economics	.94
English	.79
History	.57
Mathematics**	.87
Psychology	.89
Philosophy**	.95
Physics	.93
Political Science	.93
Sociology**	.95

* The correlation is between the first 10 (or 20) men most frequently mentioned in the entire returns and the number of times their names were mentioned in half the sample selected at random.

** Calculated on the basis of the first 20 names mentioned in the returns.

Turning now from a consideration of sampling procedures to an analysis of the returns, let us first compare the relative concentration of esteem by fields. It had been anticipated that because of the supposedly more specific bases of judgment in the "exact" sciences that opinions about who the important people are (as indicated by names listed) would not show such a wide range of variation as in the social sciences and humanities. Such did not prove to be the case. One index of the amount of consensus among the respondents is to be found in computations of the average number of names per return (see Table I). Beginning with the field showing the greatest amount of agreement and proceeding to that showing the least, the rank order was as follows:

(1) philosophy, (2) sociology, (3) physics, (4) psychology, (5) history, (6) political science, (7) economics, (8) mathematics, (9) English, (10) chemistry, (11) biology, (12) botany. It may be observed that these differences in consensus cannot be attributed to variations in the number of workers in a field, for two of the four smallest fields (philosophy and sociology) showed the greatest amount of agreement, and the other two (biology and botany) showed the least.

Another measure of the relative concentration of esteem is to be had in a percentage break-down of the number of mentions received by the first five, ten, and twenty men respectively in each group (see Table IV). The physicists show the most unanimity about who the five leading men are, with 41.0 per cent of all the actual mentions going to A. H. Compton, Millikan, Lawrence, Einstein, and Fermi. The lowest amount of consensus for the first five was found in English, where they received only 22.3 per cent of all the listings. This means that with the exception of Kittredge and Lowes, there are large numbers of scholars for whom men in the field have approximately equal esteem. Economics and sociology occupy middle positions, with the former concentrating 30.7 per cent of all the mentions among the first five men, and the latter concentrating 30.5 per cent among the first five. This indicates that such men as Mitchell, Fisher, Hansen, Clark, and Knight in economics, and Park, Ogburn, Ross, Thomas, and MacIver in sociology are not only widely-known but also highly regarded by the typical specialist in their respective fields.

It is interesting to note that history and economics are the only two fields in which one individual achieved a ranking frequency considerably above that of any other man listed. Seventy-seven of the 97 economists making returns mentioned W. C. Mitchell, whereas the second highest ranking man, Irving Fisher, received only 60 mentions. Of the 59 historians rendering lists, 44 mentioned C. A. Beard, whereas the second ranking historian, C. J. H. Hayes, received but 28 listings. In sociology, on the other hand, the first five ranks show very small differences in frequency of mention.

A comparison of the percentages of total possible listings received by the first ten and the first twenty ranks with the first five shows no consistency of positions for fields except in physics and

in English. Physicists revealed more unanimity about who the five, ten, and twenty most important contributors were than did the respondents in any other field. English consistently showed the least consensus in all the three categories. It would be hazardous to try to interpret these field differences. One might conclude equally logically that in English, for example, there are so many distinguished scholars one cannot differentiate among them, or that there are really no distinguished or eminent men in the field.

TABLE IV
Percentages of Total Possible Listings Received by the First
Five, Ten, and Twenty Men

First Five Men				
Field	Total Possible Listings	Number Received	Per Cent of Total	Rank
Biology	390	123	31.5	4
Botany	280	69	24.6	11
Chemistry	360	97	26.9	9
Economics	970	298	30.7	6
English	520	116	22.3	12
History	590	159	26.9	9
Mathematics	350	130	37.1	2
Philosophy	550	172	31.3	5
Physics	410	168	41.0	1
Political Science	390	117	30.0	8
Psychology	610	194	31.8	3
Sociology	650	198	30.5	7

First Ten Men				
Field	Total Possible Listings	Number Received	Per Cent of Total	Rank
Biology	390	198	50.8	6
Botany	280	167	59.6	2
Chemistry	360	146	40.6	11
Economics	970	554	57.1	3
English	520	170	32.7	12
History	590	240	40.7	10
Mathematics	350	162	46.3	9
Philosophy	550	280	50.9	4
Physics	410	248	60.5	1
Political Science	390	187	47.9	8
Psychology	610	301	49.3	7
Sociology	650	331	50.9	4

First Twenty Men

Field	Total Possible Listings	Number Received	Per Cent of Total	Rank
Biology	390	235	60.3	8
Botany*	280	—	—	—
Chemistry	360	206	57.2	10
Economics	970	658	67.8	6
English	520	284	54.6	11
History	590	351	59.5	9
Mathematics	350	244	69.7	3
Philosophy	550	367	66.7	7
Physics	410	323	78.8	1
Political Science	390	276	70.8	2
Psychology	610	415	68.0	5
Sociology	650	445	68.5	4

* There were so many ties among the second ten ranks in this field that it was not included in the comparison here. Average percentages received by each of the 5, 10, and 20 men groups were: 30.3, 49.2, 62.7.

The average percentage of total possible listings for all fields reveals that the first five men received 30.3 per cent of all the possible listings, the first ten 49.6 per cent, and the first twenty 65.7 per cent. These figures appear to indicate a high concentration of esteem or a marked consensus concerning the scholars and scientists who are thought to have made valuable contributions. The number of singletons, or men mentioned but once, would be increased, to be sure, if the sampled areas of opinion were enlarged, but there would be no appreciable fluctuations in the ordinal positions of the leading men in most of the fields.

In his statistical study of American Men of Science, Cattell found no significant differences between the ratings given by less eminent and more eminent specialists, and between those made by younger men and older men. The respondents in the present inquiry have been broken down by ranks and by institutions, and the results computed for six fields as follows:

TABLE V
Coefficients of Rank Correlation*

Field	R†	R‡
Biology	.41	.71
Economics	.52	.81
History	.51	.60
Physics	.76	.76
Psychology	.72	.62
Sociology	.48	.90

* The names ranking in the first ten in the total balloting were used.

† The combined votes of the instructors and the assistant professors were correlated with the combined votes of the associate professors and full professors.

‡ The votes from all major universities at which respondents were employed were combined and correlated with the combined votes of all respondents employed at minor institutions. "Major" universities were defined as the 16 graduate centers that have turned out the most Ph.D's in all fields during the last 10 years.

The coefficients of correlation as seen in the previous table show greater differences among the opinions of our respondents when they are divided according to rank and to institution than when they are merely split at random. Assuming that the respondents from major institutions are on the whole more eminent than those at lesser institutions, our findings do not agree with those of Cattell. Likewise, since the men in the two lower academic ranks have lower average ages than those in the two upper ranks, his same findings about age groups are not strongly borne out. It is evident also that age or rank is a more significant factor in opinion cleavages than is institutional affiliation.

Very few of the 607 respondents happened to list ten men whose names coincided with the ten finally appearing in the first ranks, but about one person in ten succeeded in mentioning at least nine of the individuals who were among the first fifteen ranks, and only about one person in twenty failed to name more than two individuals among the first fifteen ranks. The lists most closely approximating the final ones were made by assistant professors and by men in major universities. The lists showing the widest variation from the average were turned in by persons having the rank of full professor, and by men employed in lesser colleges and universities. Chance may account for the latter statistical fact, of course, but certainly not the former. An atypical list is not

indicative of poor judgment any more than a typical list is indicative of high acumen.

Certain tendencies, which for want of a better name we may call "biases" appeared in some of the listings. For example, women scholars and scientists were more frequently mentioned on the lists turned in by women than by men respondents. Respondents from Catholic institutions, particularly in the fields of history and sociology, named Catholic scholars and scientists more often than did the group as a whole. Biologists working in the field of protozoology were inclined to stress the importance of work being done in their specialty and to neglect that being done along other lines. The lists returned by experimental psychologists were heavily weighted in favor of experimental psychologists, and so on. From one point of view these weightings of judgment are not biases, but merely expression of the fact that the respondents were listing the names of the most outstanding individuals in the special fields with which they were most familiar.

It will be remembered from the instructions to the respondents that in addition to giving an unranked listing of the ten persons now living in America whom they considered to have made the most valuable contributions to their respective fields, the respondents were also asked to place x's before the names of those men known to them to be outstanding as classroom teachers or lecturers. And finally, they were asked to indicate briefly opposite each name, the main reasons for inclusion.

A glance at the lists by fields revealed fewer frequencies of mention for teaching or lecturing in every instance than for "valuable contributions," and there proved to be no high correlation between an individual's rank in one respect and in the other. Most of the respondents were obviously not in a position to judge teaching or lecturing ability from direct observation, and this partially accounts for the relatively small number of checks for these items. Too much importance cannot be attached to the validity of the score for teaching or lecturing, but comments from respondents indicated that the majority of them did not consider teaching or lecturing to play so important a role as research in a man's professional standing.

Slightly more than half of the persons making returns gave reasons for their listings, the largest number of comments in great detail being written by historians, with the mathematicians most sparing in their remarks. Marked differences were manifested by fields in the types of reasons given. In the physical sciences, for example, few respondents mentioned textbook writing or stressed the importance of prolific publication, whereas in the social sciences the popular dissemination of ideas and the "yardstick" test were evidently important implicit criteria in the minds of many. Most of the physicists and chemists were identified with definite types of experimental work, and contributions mentioned were typically preceded by such phrases as "work with . . .," "experiments in . . .," "development of . . .," "invention of . . .," "discovery of . . .," and so on. Men in the humanities and social sciences mentioned many individuals for their broad learning and erudition in addition to including those who had made significant discoveries and inventions.

In every field individuals were listed prominently for their administrative ability, personal leadership in establishing schools and stimulating followers, for important offices held, and for other characteristics not directly relevant to research in the limited sense. A tabulation of the reasons given for particular individuals revealed patterns, not all of which were internally consistent. W. F. Ogborn, for example, was commended by many for his superior contributions to sociological theory, yet he was also valued by some for his stress upon fact with a minimum of theory. A sufficiently large number of stereotypes of an uncritical nature was present in the responses to indicate that many of the men had no intimate knowledge of the principal contributions of the luminaries they were rating.

Space limitations prevent inclusion here of the ranked individuals by name and field, but a few generalizations may be made about the leading men in all of the fields. The average age of the twenty leading persons in all of the fields was 62.4, ranging from 52.9 in physics to 66.7 in botany. Our average ranking individual was thus close to the usual age of academic retirement at the time he was given his rating. Some clue as to the length of time a

given individual in the physical sciences has been eminent is indicated by the date of his starring in *American Men of Science*; this same clue is, of course, not available for men in the social sciences and the humanities. The extreme range of age variation was from 37 to 98. There were one botanist, one chemist, three mathematicians, and one physicist in their thirties. Twelve men were in their eighties. One botanist and one historian were in their nineties. The preponderance of superannuated over youthful individuals in the lists appears to indicate that eminence comes to comparatively few individuals in scholarship and science before the age of forty and that it tends to linger after a man has long been past his period of greatest activity.

It is of some interest to note that English was the only field including any women listed among the first twenty ranks. A partial explanation of this phenomenon is the fact that women are more preponderant in this field than in any other included in the listing. It is also of some significance to observe nationality derivations as indicated by nomenclature. As might be expected, English and history were the fields showing the greatest proportion of names of Anglo-Saxon derivation; the physical sciences and mathematics showed the highest proportion of non-Anglo-Saxon names and also the largest number of men who are recent emigres. Sociology was the only field in which Negroes achieved any prominence for their contributions.

Another fact of some significance is the institutional distribution of the ranking individuals. Of all the 256 individuals mentioned among the first twenty ranks, 238 are in the employ of colleges and universities, 13 are in industry or private research, and 5 (other than those of emeritus or retired status) have no institutional connections. A somewhat astonishing phenomenon is the fact that of the 238 ranked individuals in the college or university category, 176 or 73.9 per cent are concentrated at only ten institutions. Of the 118 individuals found at colleges and universities and ranked among the first ten, the concentration is even greater, with 90.6 per cent of the ten leading men being in the employ of Harvard, Chicago, Columbia, Princeton, California, Cornell, Yale, Wisconsin, California Institute of Technology, and Illinois, ranked in their descending order of importance respectively.

As is seen in Table V, twenty-six institutions had one individual each, but considering the fact that there are more than 1200 institutions of higher learning in the United States, these figures indicate a rather startling concentration of the most highly regarded at just a few centers. It is true, of course, that there were undoubtedly many able individuals at lesser institutions who might have been included, and who may have been omitted primarily because their being at lesser places was a factor in their not being mentioned. With respect to institutional affiliations, the least spread was shown in history, with all of the individuals mentioned in the first twenty ranks being found at only eight different institutions. The greatest spread was in political science, with the men in the first twenty ranks being situated in eighteen institutions.

TABLE VI
Institutional Distribution of the Leading Men

Institution	Number of Men Among First Ten Ranks	Number of Men Among Second Ten Ranks	Total Among First Twenty Ranks	Rank Order of Institu- tion
Harvard	29	22	51	1
Chicago	18	10	28	2
Columbia	14	8	22	3
Princeton	10	5	15	4
California	8	6	14	5
Cornell	6	6	12	6
Yale	7	4	11	7
Wisconsin	7	3	10	8
California Tech.	5	2	7	9
Illinois	3	3	6	10
Johns Hopkins	3	2	5	11
Pennsylvania	1	3	4	12
Stanford	2	2	4	12
Iowa	—	4	4	12
Minnesota	2	2	4	12
General Electric	2	1	3	16
Michigan	—	3	3	16
Brown	—	3	3	16
M. I. T.	1	2	3	16
North Carolina	1	2	3	16
Smith College	—	3	3	16
Texas	—	2	2	22
Swarthmore	—	2	2	22
N. Y. U.	1	1	2	22
Bell Telephone Labs.	—	2	2	22
Carnegie Institution	1	1	2	22

The following institutions had one each: Amherst, Bennington, Boston University, Boyce Thompson Inst., Brookings, Duke, Fisk, Franklin Inst., Indiana, Library of Congress, Marine Bio. Labs., N. Y. Bureau of Mun. Research, Ohio State, Pomona Col., Purdue, Queens Col., Southern Cal., St. Louis Univ., St. Michael's (Toronto), Syracuse, Tufts, Universal Oil Co., Virginia, Washington Univ., Washington School of Psychiatry, Williams. With the exception of Marine Bio. Labs., each listing is for a ranking among the second ten.

Four individuals among the first ten had no institutional affiliation, and one among the second ten.

This paper has been concerned with the general problem of ascertaining **which living men in a selected number of fields are thought to have made the most valuable contributions**, why they are so considered, and how criteria and distributions vary among different categories of respondents within a field and from one field to another. The reputation of a scholar or scientist is determined by a reciprocal relation among three variables: (1) the importance attached to the *kind* of work in which he has been engaged; (2) the level of performance he has attained; and (3) the extent to which his achievement has been recognized and acclaimed. Our inquiry has not presumed to ascertain actual merit or accomplishment, and has merely counted and compared frequencies of mention. Nowhere has there been any assumption of a common denominator, unit of measurement, or additive quality in the actual accomplishments of the men listed.

The procedure followed here is not recommended as a precise mechanism for determining distinctions among large groups of individuals, but has been used merely for the information it yields concerning the reputations of specialists among their fellows. Unfortunately, there is no single scale of measurement or absolute set of standards of merit to which we may turn to compare our results. Until objective standards, independent of the whimsicalities of human judgment, are established, all that can be done is to devise techniques for ascertaining opinions, calculating their variations, and noting the traits associated with these variations. Such has been the purpose of this inquiry into contemporary reputations in scholarship and science.

The Relationship of Selected Social Background Factors to Farm Tenure Status*

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The purpose of this paper is to determine the extent to which farm tenure status is associated with selected indexes of social background of family heads. Chance factors actually play a smaller role in distributing persons within the occupational hierarchy of agriculture than is commonly believed. The acquired habits, attitudes, and values would seem to be conditioned strongly by the geographical and cultural environment experienced in youth. To test the assumption that the early surroundings and experiences exert considerable influence on the tenure distribution in agriculture, five factors regarded as indicative of social background have been selected for study. The factors are (1) state of birth, (2) occupation of father, (3) amount of formal education, (4) age at leaving home, and, (5) beginning occupation.

This analysis should provide a better basis for the understanding of processes of social selection. Its importance attaches to the fact that as opportunities in agriculture become scarcer relative to the demand for them, these processes will tend to operate with increased precision and discrimination.

The data used in this study were obtained by personal interviews with 1212 white families living in the open country of Haskell, Craig, Cotton, and Major counties, judged to be representative of Oklahoma with respect to type of farming, proportion of tenancy, stability of occupancy, and level of living. The survey, taken in the winter of 1937-1938 for the year 1937, included a wide variety of basic data pertaining to the social and economic characteristics of families. It is estimated that the sample includes approximately 10 per cent of the statistical universe, the selection being as nearly random as possible considering practical limitations.

*Revision of paper read at the meeting of the Southwestern Sociological Society, Dallas, Texas, April 10-11, 1941, and published as a contribution of the Oklahoma Agricultural Experiment Station.

In tabulating the data, the social background characteristics have been arranged, after some experimentation, into sub-groups, designated as advantaging and disadvantaging factors. The next step has been to distribute into tenure classes the heads of families classified by the two sub-groups. The farm tenure classes embrace owners, tenants, and "others", the latter including farm laborers, W.P.A. workers, old age assistance clients, and miscellaneous socio-economic types. Any inferences drawn from the study apply specifically to the open-country residents of the counties studied and generally to those of the State of Oklahoma.

SELECTED SOCIAL BACKGROUND FACTORS

State of Birth. Landlessness is highly characteristic of the economic heads of families born in the thirteen southern states. In Table 1, it may be observed that among the natives of the South, only 26.9 per cent are classed as farm owners as compared with 55.9 per cent of those born in other states and in foreign countries.¹

TABLE 1
Distribution of Selected Social Background Factors
By Farm Tenure Status

Social Background Factor	Number of Heads	Percentage Distributed by Tenure		
		Owner	Tenant	Other
All heads	858†	35.8	51.2	13.0
1. Birth in:				
Southern state	595	26.9	56.8	16.3
Other state or foreign country	263	55.9	38.4	5.7
2. Occupation of father:				
Non-owner	310	18.7	59.4	21.9
Farm owner	548	45.4	46.6	8.0
3. Formal education:				
0 - 7 grades	404	34.4*	49.8*	15.8*
8 grades and over	454	37.0	52.4	10.6
4. Age at departure from home:				
Under 21 years	298	27.8	55.4	16.8*
21 years and over	560	40.0	48.9	11.1
5. Beginning occupation:				
Non-owner	741	30.5	54.8	14.7
Farm owner	117	69.2	28.2	2.6

† The data were wholly or partially incomplete for the omitted sample cases.

* All of the differences between the proportions compared except these are significant to the 1 per cent level.

¹ Thirty-seven per cent of the family heads sampled reported their birth in Oklahoma, 32 per cent in other southern states, 29 per cent in states to the north and east of Oklahoma, and the remaining 2 per cent in foreign countries

Other available data show that notably large proportions of natives from Oklahoma, Texas, and Arkansas have failed to become farm owners, while Kansas-born heads have achieved ownership of farm reliably in excess of their expectancy.

To measure the degree of association between region of birth and farm tenure status, Yule's Q formula has been applied to the data.²

A Birth in southern state.

a Birth in other state or foreign country.

B Farm owner

b Non-owner

$$Q = \frac{a \times b - A \times B}{a \times b + A \times B}$$

In the resulting coefficient of association, Q equals .705, indicating a marked degree of positive relationship between birth in a southern state and landlessness, or between birth in a location outside the South and land ownership. Since twice as many owners of farms as non-owners in the sample reported their place of birth elsewhere than in the South, birth in the southern region, from the standpoint of achieving high tenure status, can be classed as a disadvantageous social background factor.

Occupation of Father. The transmission of farming as an occupation is perhaps one of the most socially significant features of agriculture. Recent studies have shown accumulating evidences of recidivistic tendencies in occupational status from one generation to another.³ In the sample under observation, 93.0 per cent of the family heads reported their fathers as farmers, but 40.9 per cent held a lower tenure status, 11.1 per cent a higher status, and 48.0 per cent a status similar to that of their fathers. The heaviest loss in tenure status between the two generations was experienced among the sons of farm owners, who generally, have had to accept a landless status.

In Table 1, the heads of families are distributed into tenure classes according to the farm ownership status of their father. The percentage of farm owners descending from landowning parents exceeds by 2.4 times the percentage of farm owners whose father

² For a discussion of this measure of relationship see Margaret Jarman Hagood *Statistics for Sociologists*, New York: Reynal and Hitchcock, 1941, 495-498.

³ W. A. Anderson, *The Transmission of Farming as an Occupation*, Ithaca: Cornell University Agri. Exper. Sta. Bull. No. 768, October, 1941, and Percy E. Davidson and H. Dewey Anderson, *Occupational Mobility in an American Community*, Stanford: Stanford University Press, 1937.

did not own and operate a farm at the time of the head's marriage.⁴ This difference is highly significant statistically.

The sons of landless parents rarely ever become farm owners, 81.3 per cent remaining in the same or a lower tenure class. "Other" heads especially are much more likely to be the sons of landless than of landowning parents. Principally because of the failure of a majority of heads whose fathers were farm owners to acquire land themselves, the coefficient of association (Q) between ownership status in the two generations is only .570, which indicates, however, a moderately high degree of relationship. It may be stated generally that the children of non-owners remaining in agriculture have less than one chance in five of attaining a farm ownership status, while children of farm owners have slightly less than one chance in two.

Formal Education. In this sample the amount of schooling possessed by family heads does not differ significantly between owners and non-owners. Those in the lowest tenure class, however, tend toward poor education, i.e., less than eight grades of schooling. To correct for the influence of the rising trend in the educational level, a supplementary tabulation showing the amount of formal schooling was made holding age of heads constant. Farm owners possess slightly, but not reliably, more education than do tenants, while the latter definitely have schooling superior to that of "others." Dependably larger proportions of farm owners under 35 years of age than of the remaining heads in this age group reported an eighth-grade schooling or over. It is noteworthy that the proportions of heads completing fewer than eight grades decreased from 65.0 per cent among family heads 55 years old and over to 32.0 per cent among those under 35 years of age.

The low degree of positive association (Q being .057) between the amount of schooling and farm tenure merely suggests that the former has been of minor importance in the past as a determinant of status in the agricultural classes. Even so, poor education can be assigned as an unfavorable social correlative of the lowest tenure class.

Age at Departure From Home. Generally, rural children remain

⁴ In another tabulation it is found that 76.6 per cent of the farm owners' fathers owned land as compared with 52.2 per cent of the fathers of landless heads.

at home for a longer period than urban children because of their economic value, less pressing spatial considerations, the persistence of "familism," and possibly other reasons. But in low-income farm families numerous conditions associated with home life: small-size farms, overcrowded housing, conflict over expenditure of income, a dreary home life, and sundry factors, hasten the departure of youth from home.

In this study, a direct relationship holds between the age of heads at the time of leaving home and farm tenure status. The average age at departure from the parental home was $22.3 \pm .30$ years for full owners, $21.5 \pm .18$ years for tenants, and $20.8 \pm .44$ years for "others." In Table 1, it can be seen that those starting for themselves before the legal age of 21 years tend to be concentrated in the landless classes. Repeating the use of the Q formula, a fairly positive degree of association, .267, exists between age at departure from home and farm tenure status.

From other available data it appears that among the sampled heads there has been a distinct tendency toward earlier departure from home. Family heads under 35 years of age had left home at a mean age of $20.7 \pm .18$ years as against $22.8 \pm .36$ years for heads 55 years old and over. The decrease in age at marriage is even greater than the reduction in the age at departure, with increasing proportions marrying during the first year following separation from the parental home. From an economic standpoint these two trends seem undesirable.

Beginning Tenure Status. Despite the popular delusion of equality of opportunity, most persons have relatively few alternatives in their choice of occupations. In agriculture many limiting factors impinge upon this choice, and once made, it becomes important in determining subsequent tenure advancement. In this study, a strongly positive degree of association obtains between the tenure status possessed at the beginning of earning life and that reported in 1937, Q being .653. *Approximately seven of every ten family heads starting their careers either as owners or non-owners of farms had continued to occupy that same status in 1937 (Table 1).*⁵ Fewer than one in three heads having a landless status in their first employment had gained and held an owner-

⁵ Family heads beginning as farm owners had worked 27 years on the average as compared with 22 years for those starting as non-owners.

ship status by the year of survey. For the agriculturist, landlessness seems to be rapidly forming an impenetrable barrier to improvements in socio-economic status.

CLUSTERING OF BACKGROUND FACTORS

Landlessness is not the result of a single factor but of numerous factors, many of which occur in clusters or combinations. For example, being born in the South, *per se*, does not destine one to a life of dire poverty and territorial instability, but many undesirable conditions associated with the socio-economic situation there substantially reduce the possibilities of divergence from those indigenous behavior patterns. Assuming that the disadvantaging background factors selected for study are more or less associated with landlessness, it is appropriate at this point to note the extent to which these factors are related with each other. The data for this analysis are presented in Table 2, in which family heads, classified according to a specified advantaging and disadvantaging factor, report the possession of other unfavorable factors.

TABLE 2
The Proportions of Family Heads Reporting Selected
Disadvantaging Background Factors

Social Background Factor	Number of Heads	None	Percentage of Heads Reporting Disadvantaging Factor				
			(1a)†	(2a)	(3a)	(4a)	(5a)
All heads	858	2.9	69.3	36.1	47.1	34.7	86.4
1. Birth in:							
a. Souther state	595	0.0*	100.0*	41.3	45.0	40.5*	90.1*
b. Other state or foreign country	263	9.5	0.0	24.3	51.7	21.7	77.9
2. Occupation of father:							
a. Non-owner	310	0.0*	79.4*	100.0*	59.4*	38.4	96.1*
b. Farm owner	548	4.6	63.7	0.0	40.1	32.7	80.8
3. Formal education:							
a. 0 - 7 grades	404	0.0*	66.3	45.5*	100.0*	34.2	89.9*
b. 8 grades and over	454	5.5	72.0	27.8	0.0	35.2	83.3
4. Age at departure from home:							
a. Under 21 years	298	0.0*	80.9*	39.9	46.3	100.0*	93.3*
b. 21 yrs. and over	560	4.5	63.2	34.1	47.5	0.0	82.7
5. Beginning occupation:							
a. Non-owner	741	0.0*	72.3*	40.2*	49.0*	37.5*	100.0*
b. Farm owner	117	21.4	50.4	10.3	35.0	17.1	0.0

† Number corresponds with subscript appearing in the stub.

* Difference in the proportions compared significant to the 1 per cent level.

With few exceptions, there is a marked tendency toward the interrelationship of unfavorable background factors. Reliably larger proportions of southern-born heads of families were handicapped by the non-owner status of the father, early age at departure from home, and initial employment in a non-owner status. If native Oklahomans are eliminated from the sample, the amount of formal education is reliably less for southerners than for the remaining family heads. The Oklahomans originating in the state, because of their comparative youthfulness, have had more schooling than the average of heads born outside the State.

Landlessness tends to perpetuate the ills usually associated with it. Heads of families whose fathers were non-owners not only had less schooling and a shorter period of apprenticeship than heads from landowning parents, but also they invariably began earning life in a tenant or laborer class.

The family heads leaving home before the age of 21 years were characterized by all other disadvantaging factors except poor education. A special tabulation verified the point that early departure from the parental home had not prevented youth from completing the schooling available.

Strong evidences of occupational selection appear at the beginning of earning life. Over one-fifth of the heads starting as farm owners were not burdened by any disadvantaging factor. The incidence of all handicapping factors among the remaining owners was sharply lower than for those reporting a non-owner status at the inception of earning life.

Although education is the least important of the five background factors differentiating non-owners from owners of farms, it does characterize markedly the heads originating in landless families and those commencing their careers in a non-owner status.

TABLE 3

**Tenure Distribution of Heads of Families According to
Number of Disadvantaging Background Factors**

Number of Disadvantaging Factors in Common	Heads		Percentage Distribution by Tenure			
	Number	Per Cent	Total	Owner	Tenant	Other
Total	858	100.0	100.0	35.8	51.2	13.0
None	25	2.9	100.0	76.0*	20.0*	4.0†
One	111	12.9	100.0	66.7*	30.6*	2.7*
Two	231	26.9	100.0	43.3†	50.2	6.5*
Three	250	29.2	100.0	29.8	57.6	13.6
Four	180	21.0	100.0	18.9*	57.8	23.3*
Five	61	7.1	100.0	13.1*	59.0	27.9†

* Difference from total cases significant to 5 per cent level.

† Difference from total cases significant to 1 per cent level.

* In the application of the first three methods a dichotomous classification was used with these classes—owners: non-owners, and “0-2 factors”: “3-5 factors.” In the calculation of R bis, a 6 x 2 classification was employed. For a discussion of these methods consult any recently published text in statistics.

Since considerable variation can be observed in the influence of individual background factors upon tenure status, the next step is to describe their joint effects. When the disadvantaging factors are distributed according to the number possessed in common, as in Table 3, their adverse bearing upon the achievement of farm ownership becomes readily apparent. As the number of unfavorable factors increases, the proportions of family heads in the landless classes consistently increase. Tenants and “others” account for only 24.0 per cent of the heads having none of the handicaps studied, but they comprise 86.9 per cent of those hindered by all five obstacles.

The possession of three or more disadvantaging factors was reported by 57.3 per cent of the subjects, who, also, in over seven of every ten instances occupied a landless status at the time of interview. The non-farming elements in the sampled population, i.e., agricultural laborers, W.P.A. workers, relief clients, old age assistance recipients, and miscellaneous aggregates, suffer greatly from deficiencies in social background, 83.0 per cent of those studied reporting three or more disadvantaging factors.

In measuring the degree of association between the number of disadvantaging factors possessed and landlessness, the results obtained by four methods are as follows:

Measure of Relationship Used ⁶	Coefficient of Relationship
Yule's Q	.57
Tetrachoric (r_t)	.52
Contingency (Corrected) (C)	.45
Biserial (r_{bis})	.45

By all of the methods used, a moderately positive relationship is found between the observed deficiencies in social background and landlessness. In describing the relationship still further, it can be stated that from 20 to 27 per cent of the variation in landlessness is accounted for by change in the unfavorable background factors.⁷

TABLE 4
Incidence of Social Background Factors By Farm Tenure Status

Specific Disadvantaging Factor (s)	Heads		Percentage Distribution by Tenure			
	Number	Per Cent	Total	Owner	Tenant	Other
All heads	831†	100.0	100.0	35.8	51.2	13.0
3	20	2.4	100.0	85.0*	15.0*	0.0*
1	29	3.5	100.0	82.8*	17.2*	0.0*
0	25	3.0	100.0	76.0*	20.0*	4.0†
5	55	6.6	100.0	52.7†	41.8	5.5†
1-4	11	1.3	100.0	63.6†	36.4	0.0*
3-5	60	7.2	100.0	63.3*	33.3†	3.6*
4-5	17	2.1	100.0	52.9†	47.1	0.0*
1-5	105	12.6	100.0	32.4	58.1	9.5
2-5	17	2.1	100.0	29.4	64.7	5.9
1-3	11	1.3	100.0	27.3	54.5	18.2
3-4-5	14	1.7	100.0	71.4*	21.4*	7.2
2-3-5	24	2.9	100.0	33.3	50.0	16.7
1-3-5	64	7.7	100.0	29.7	60.9	9.4
1-4-5	80	9.6	100.0	25.0†	63.7†	11.3
1-2-5	58	7.0	100.0	17.2*	62.1	20.7
1-3-4-5	48	5.8	100.0	29.2	50.0	20.8
2-3-4-5	12	1.4	100.0	25.0	66.7	8.3
1-2-3-5	80	9.6	100.0	16.2*	57.5	26.3†
1-2-4-5	40	4.8	100.0	10.0*	65.0†	25.0†
1-2-3-4-5	61	7.4	100.0	13.1*	59.0	27.9†

† Small combinations omitted.

‡ Difference from total cases significant to the 5 per cent level.

* Difference from total cases significant to the 1 per cent level.

The question may be raised: What combinations of unfavorable background factors most effectively impair one's chances of be-

⁷ These percentages, termed coefficients of determination, are calculated by squaring the coefficients of correlation.

coming a farm owner? Several observations on this point can be drawn from the data in Table 4. The number of the disadvantaging background factor shown in the stub of the table corresponds to that found in Tables 1 and 2. For example, 11 heads in Table 4 reported the disadvantaging factors "1-4", or "birth in a southern state" and "departure from parental home before the age of 21 years".

Among the sampled population two factors: (1) birth in a southern state, and (2) a landless father, held in common, almost preclude the achievement of farm ownership. Over 8 of every 10 family heads possessing these two handicaps are landless. Usually one or more of the remaining disadvantaging factors fall in this cluster pattern, but when these operate independently or even collectively without the additional factors first mentioned, they do not constitute formidable barriers to the attainment of farm ownership. In fact, the heads of families handicapped by combinations of limited schooling, early age at departure from home, or a landless status at the beginning of earning life actually achieved farm ownership considerably in excess of expected proportions.

Being born in the South or being the son of a landless father, together with one or more other disadvantaging factors, is characteristic of heads among whom roughly 7 of every 10 are landless. The possession of any one of the unfavorable factors seems to offer no serious obstacle to the acquisition of a farm.

GENERALIZATIONS AND IMPLICATIONS

From the findings of this analysis it may be concluded that the early social background of heads of families engaged in agriculture exerts a dominant influence in determining farm tenure status. The region in which one is born, the occupational status of the father, and the beginning occupation of the family head are three indexes of social background which most closely correlate with ownership status. The importance of the last-named factor seems to be dependent upon the nature of the two preceding characteristics. Similarly, the amount of formal education and the age at departure from the parental home, though associated with farm ownership status, appear to have relevance chiefly in

conjunction with birthplace and parental occupation.

These findings suggest a few implications. Among the background factors analyzed, education is the only one showing a desirable improvement in current trends. But, it is fallacious to suppose that an increase in the quantity of schooling alone will counteract the combined effects of other adverse factors. With high fertility rates prevailing in the South, with children forced by economic circumstances to leave home at an early age, and with enlarged proportions of the agriculture population entering and remaining in the tenant and laborer classes, further increases in landlessness appear inevitable.

The measures currently recommended and practiced to safeguard and encourage farm ownership, e.g., homestead exemption, the graduated land tax, and the Bankhead-Jones tenant purchaser program, need to be greatly expanded in scope if they are to offset numerous factors contributing to landlessness. Once under way, deeply rooted trends cannot be reversed without the application of equally potent correctives. It is difficult to understand how the social deficiencies of the succeeding generation of agriculturists can be reduced without a more aggressive attack upon the problems aggravating landlessness in the present generation.

Problems of income, level of living, health, and general welfare of the agricultural population have their origin in the social relationships relating to the control and use of land. Without desirable modifications in the traditional land tenure patterns, permanent improvements in the socio-economic status of the total population can hardly be realized. At least a generation may pass before the results of institutional changes are manifest, for the behavior of people, as expressed in their habits and attitudes relating to the possession and use of resources, reflects rather accurately the social milieu in which they are born and reared.

Population Characteristics and Trends in Arizona*

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It may truly be said that the last of the old west lingers in Arizona alongside of a thoroughly modern mode of life. Moreover, the State lies in the pathway of the much publicized population exodus from the high plains of the south to the Pacific states so that a high mobility may still be found among some of the inhabitants. Just what are the characteristics and trends of the population, and what do these indicate as to Arizona's part in the nation's all out effort?

First, it must be remembered that people have travelled westward into and across Arizona for many decades. Moreover, examination of movements westward during previous periods shows that no unusually large numbers of persons came into and passed through Arizona during the 30's. The extent of migration into California during these years was only 60 per cent as large as during the 20's,¹ which is roughly indicative of the difference between these decades as to volume of migration westward. Also, net increases in Arizona's population due to persons moving in during the 30's was less than one-half as large as those of the 20's.

Something over 63,000 persons were added to Arizona's census population during the 1930's, bringing the total to just under 500,000. That is not the whole story, however. It was found² that in mid-January, 1940, there were 134,000 persons in Arizona who had arrived in the State subsequent to January 1, 1930. This bit of information indicates that well over 100,000 persons must have left the State during the ten years subsequent to that date.

*Paper read at the annual meeting of the American Association for the advancement of Science, Dallas, Texas, December 30, 1941.

¹ S. J. Janow and Davis McEntire, "Migration to California," *Land Policy Review*, III, July-August, 1940; and W. W. Troxell and W. P. O'Day, "Migration to the Pacific Northwest," *Ibid.* January-February, 1940.

² Varden Fuller and E. D. Tetreau, *Volume and Characteristics of Migration to Arizona, 1930-39*, Arizona Agr. Exp. Sta. Bul. 176, Tucson, 1941, Table 1.

Otherwise, the census population of 1930 plus natural increase and the number of migrants in the State at the beginning of 1940 would have given the State a total population of over 600,000. No one knows how many additional persons came into the State during this period and left before mid-January, 1940.

A look at the race characteristics of this more recently added population of 134,000 shows that the newcomers contained among their members more Negroes, and 10 per cent fewer Indians and persons of other races than were contained in Arizona's 1930 population. This possibly suggests an increasing resemblance to the populations of the South and a corresponding decrease in characteristics more typically Southwestern. Comparison of the race percentages of the 1930 and 1940 census³ returns after they have been made comparable with respect to the classification of Mexicans, shows, however, that this conclusion is but partly true. The percentage of Negroes in the total population has increased from 2.5 to 3.0, but, on the other hand, the percentage of Indians has moved from 10.0 to 11.0 per cent of the total population. Increase among Indians was largely due to excess of births over deaths, while migration added considerably to the number of Negroes.

Fifty years ago there were 1,170 Chinese in Arizona, and one Japanese; today there are only a few over 1,400 Chinese and 632 Japanese, of whom 230 are foreign born. Arizona contains also some 240 Filipinos and 65 Hindus. With respect to this Oriental population, the Arizona pattern is more nearly like the Pacific Coast than the Southwest.

Continuing with the nativity of Arizona population, it appears that the Negroes have the highest proportions of native Americans among their members. Only six-tenths of one per cent are reported as foreign born. Incidentally, some of these are Porto Ricans brought into Arizona a number of years ago to help with cotton picking. Indians rank next as to the proportions of native born, 98.4 per cent being so classified. Whites come third with 91.4 per cent, Japanese fourth, and Chinese fifth, in order. Almost two-thirds of the Japanese are native and over one-half of the

³ The 16th Census of the United States, 1940, *Population, Second Series, Characteristics of the Population, Arizona*—Leon E. Truesdall, Washington, 1941.

Chinese. The migrants who came to Arizona during 1930-39, with the exception of Mexicans, were practically all native Americans. About one-third of the Mexicans were born in Mexico.

It might be pertinent to ask, "Just who are Arizona's foreign born whites?" Briefly, Englishmen and Canadians lead the list with 1,687 and 1,590 respectively, in the 1940 census. These together make up just about nine per cent of the foreign born white persons. Germans rank third, numbering 1,117 and comprising three per cent of the foreign born whites. Next come Italians, Russians, Swedes, Scotch, Yugo-Slavians, Irish, Spanish and Austrians, each contributing between one and two per cent. Mexicans make up 67.6 per cent of the total. Some thirty-one other countries supply the remaining eight or nine per cent. In all there are 36, 837 foreign-born whites in the State as compared with 63,466 in 1930; 78,099 in 1920; and 46,824 in 1910. In the last-named enumeration, over 27 per cent of all whites were foreign-born and in 1940, 8.6 per cent. Since Mexicans are included with Whites in the 1940 census, and in 1930 by revision, and since the foreign-born predominate among them in earlier decades, the comparisons above show fewer foreign-born persons and lower percentages in 1920 and 1910 than would have been obtained had the revisions been carried back to these enumerations.

As to another important characteristic, the trend in Arizona population is definite. The census of 1870 reported 248.5 males per 100 females, in contract with which the census of 1940 shows only 107.1. The decline in numerical importance of male as compared with female population has marked each successive decade since 1870, the most spectacular decrease occurring between 1880 and 1890, when the numbers fell from 230.4 to 135.3 males per 100 females.

At first sight the item of age among Arizona population characteristics appears to follow the well-publicized pattern of the great majority of the states. Quoting a census release: "The median age of residents of Arizona increased from 24.2 in 1930 to 25.4 years in 1940." However, when one passes to the next statement the evidence is not so clear. "The aging of the population is also shown by the decrease in the percentage of the total population which was under 20 years of age from 42.1 in 1930 to 40.4 in

1940 " The fact of the matter is that there is no trend to be found in a comparison of percentages of persons under 20 in Arizona except during the three decades following 1870. During these years the percentage of persons under 20 years of age increased from 27.0 in 1870 to 41.4 in 1900. This trend was indicative of change from a typically frontier population to the family pattern in which a boarder base appeared. During these years the percentage of persons from 20 to 39 years of age decreased from 60 to 35. During the years from 1900 to 1940, the highest percentage of persons under 20 appeared in the 1930 census.

The clearest indication of an aging population comes from a comparison of the percentages of persons aged 65 and over. Less than one per cent of such persons are found in the returns of the 1870 and 1880 enumerations. By 1900, between three and four per cent were 65 and over. Since 1910 the percentages have steadily increased from 3.1 to 4.7 in 1940.

Thus, it may be said that age trends in Arizona's population appear as a sort of dual pattern. During the years from 1870 to 1900, both those persons under 20 and those of 65 and over increased in relative importance, while persons in the middle years, especially from 20 to 39, decreased in importance. Since 1900, the relative importance of persons under 20 has remained constant while there has been a small increase in the proportions of older persons, with corresponding decreases in percentages of persons in the middle years.

Comparisons between Arizona's industry groups in 1940 and 1930 are complicated by the revision of industrial classifications and by the reporting of *employed* workers only, in 1940. The 1940 report does not include public emergency workers. It would appear, on the whole, that there has been a substantial increase in the percentage of workers engaged in wholesale and retail trade, and modest increases in the percentages of gainfully employed persons in the professions and in government service. Percentages in agriculture, in transportation, and in clerical, personal and domestic service, have fallen, while a considerable decrease occurred in the percentage of persons engaged in manufacturing and the mechanical industries.

Over one-fifth of Arizona's workers are in agricultural occupations. About 18 per cent are in manufacturing and another 18 per cent in wholesale and retail trade. More than nine per cent are in domestic service and less than nine per cent are in mining; the professions claim over eight per cent; and transportation, between seven and eight per cent. Government workers constitute under five per cent of gainful workers while clerical workers comprise three per cent. About one-fifth of one per cent are in forestry and fishery, the latter category comprising largely workers in the fish hatcheries.

Among Arizona's recent arrivals, about one-third of the gainful workers, a proportion much lower than was popularly supposed, had been formerly connected with agriculture. Almost two-thirds of these had been farm operators, and the remainder wage workers on farms. Many former operators, however, were reduced to the position of laborers, only one-eighth of them continuing as operators after arrival in Arizona. More than one-third became farm laborers and about the same proportion were employed as non-agricultural laborers, skilled, semi-skilled, and unskilled.

An additional 40 per cent of the migrants had been non agricultural laborers previous to moving, and of these about one-half continued on the same occupational level after coming to Arizona while one-fourth or more moved up the occupational ladder. Another one-fourth of the migrants were white-collar workers prior to migration. Well over two-thirds of these continued on the same occupational level or improved their positions.

While there was a net shift out of agriculture, this industry remained the principal one into which the incoming workers were absorbed. Manufacturing and mechanical industries ranked second in importance and made places for about 20 per cent of the migrant workers. Wholesale and retail trade absorbed a little less than 14 per cent, while mining provided employment for between seven and eight per cent. Domestic service used another seven per cent. By and large, some 60 per cent of the migrants were absorbed in the three leading industries of Arizona—agriculture, manufacturing, and trade.

Arizona's labor force included April 1, 1940, over 180,000 persons 14 years old and over, 143,000 being male workers. Of this total

force, some 150,000 persons were employed on other than public emergency work. Almost one-third of these were white collar persons; over one-fourth were craftsmen, operators, etc.; and one-tenth were farm operators. Thus about 70 per cent of Arizona's employed workers were found to be in occupations which required the possession of capital or special skills and professional equipment. Only 30 per cent were unskilled laborers or in domestic and other service. So much for the occupational scene.

Some spots in the population picture are not bright. Arizona is in the "black" area of the United States as to infant mortality. More than 55 infant deaths per 1,000 live births as compared with 48 throughout the country puts the State in the black belt of infant mortality which stretches from Yuma, Arizona, to Washington, D.C. With a crude birth rate of 23.5 per 1,000 population, 1940, as compared with 17.9 in the country as a whole, and 24.6 in Utah, and with rather large proportions of Indian and Mexican population, Arizona's infant losses may be at least partially explained. But Utah, with a higher crude birth rate of 24.6 stands in the "white" area with respect to infant mortality. The unfavorable contrast with Arizona is sharp and challenging. The crude death rate is high. This is to be expected perhaps both because of the high infant death rate and because many health seekers from other parts of the country come to the end of the road in Arizona. The rate was 11.6 per 1,000 population, 1940, as compared with 10.8 for the entire country. Rates of a number of other states however equal to or exceed Arizona's rate. They are the New England states, the Middle Western states out to eastern Kansas, the states along the Pacific Coast, and in the southern part of the Western United States.

There are some dark spots in the education picture, too. About 9 per cent of the population of the State, aged 25 years and over, were reported as having "no school years completed." About 23 per cent of the rural farm people were so classified as compared with seven per cent of the rural non-farm and four per cent of the urban population. At the other extreme, less than three per cent of the rural-farm population have completed four years of college, while the percentage for the State is 6.2. The lack of educational background in rural areas is closely associated with race, nativity,

and region of origin. Many Mexicans and Indians as well as many white and negro migrants from the West South Central states have had no schooling.

In a study of migrant families in Arizona it was found that the grade achievement of migrant children was closely associated with the occupation of the head of the household and with the region from which they came. Farm laborers' children were lowest in the scale, white collar workers' children were highest. Children from the Middle West made a better showing than those from the West South Central states. This held true when comparisons were made between children from the same occupational classes.

Another important detail has to do with the spatial distribution of Arizona's population. The phrase "wide open spaces" literally describes much of Arizona. Almost 70 per cent of the land area of the State is included in federally owned and controlled lands. Indian reservations, National forests, National monuments, and other preserves make up this vast domain. Some parts of the Indian reservations are fairly well populated, but the major portions of these public areas are sparsely inhabited.

One-third of the State's population is concentrated in the irrigated valleys of Maricopa County, an area of irrigated farms, towns and cities, about 60 miles in length and 15 miles in width on a north and south line which runs through the center of Phoenix, the capital of the State. About three of every four persons in the State live in the irrigated valleys of the Gila River and its tributaries, the Salt, the San Pedro, and the Santa Cruz; and in the Yuma Valley on the Colorado. These are all in the southern part of the State. Nevertheless, of relative importance are the small communities of irrigated farms in northern and eastern Arizona, communities within which localized population pressure is not unknown and from which young people migrate in considerable numbers.

Less than one-fourth (22.8 per cent) of Arizona's population is to be found in rural-farm areas. Over one-third (34.8 per cent) is in urban areas, in towns and cities of 2,500 and over. The remainder is in rural non-farm areas. Percentage changes during the 30's left the proportions of urban, rural non-farm and rural-

farm population very nearly the same as they were in 1930.

Rural population in certain small areas of Arizona has been found to have a relatively high density. The eastern part of the Safford Valley, on the Upper Gila River, which is farmed under irrigation, contains as many as 124 persons per square mile in agricultural households on farms and in towns. Much of this density is due, here as in other parts of Arizona, to the clustering of Mexican and other laborers' households on farms and in tiny towns, as well as in larger rural centers. Northern Arizona contains a number of densely populated local areas, settled by Mormon pioneers whose children live on small farms and in agricultural villages.

This description of Arizona's population⁴ characteristics and trends points to many suggestive inferences. There is an indication of the extent to which the State has served as a temporary residence for migrating persons who moved on, generally westward. The temporary stay in Arizona was, in most cases, a time of job hunting, and the turn-over of migrants during the decade indicates a serious lack of economic opportunity.

While the migrations to Arizona and to points westward has, in previous decades, exceeded in volume the migration of the 30's, the forced character of the recent movements of population attracted much public attention. Drought and tractors were in the foreground of the picture, but differential birth rates and land tenure changes furnished much of its background.

With the passing of frontier days and the coming of pioneer families, Arizona's population pyramid has greatly broadened at its base and the bulges have been smoothed out. Women have increased in numbers so that the lop-sided lines of the frontier pyramid assume a more balanced shape. Not only has Arizona's population become more feminine and sedentary but, like that of other parts of the country, it is aging. All in all, days of increasing conservatism are settling upon Arizona, along with larger old

⁴ This report brings together some of the more important results of several Arizona Agricultural Experiment Station projects on population composition and trends in Arizona and on the 1930-39 migration to Arizona. Data have been freely drawn from the population bulletins of the 16th Census of the United States, 1940. The migration study was carried on in cooperation with the Division of Farm Population and Rural Welfare, B.A.E., U.S.D.A., and the Arizona State Department of Education.

age pensions and a growing clamor for security.

It must be remembered, however, that much of Arizona has yet to be developed and that initiative and enterprise are still highly prized. The high percentage of Arizona's employed persons who are in occupations which require special skills and professional training or some capital equipment testifies to this.

The bold and simple outlines of fifty years ago, when white men and red dominated the scene—every third man an Indian, have been made more complex by the coming of Negroes, Japanese and Filipinos. Added to color are the details of daily activity. Alongside of the primitive sheep herder are now to be found the well-to-do producers of lettuce and other special crops; mining engineers still rub shoulders with Texas cowhands and Pima Indian farmers; artists, writers, millionaires and health seekers frequent the towns, cities, and guest ranches. Cotton adds a touch of the South; dairy herds, of the Middle West; citrus and date orchards bring the atmosphere of the tropics while the corner grocer and garage man remind one of the things that are common to all of America, the United States.

These characteristics and trends indicate a population that, while becoming more settled and normally distributed as to age and sex still contains large proportions of persons of working and fighting age. Proportions of persons who are trained in professions or in skills and of others experienced in management, are exceptionally high. The population is cosmopolitan, accustomed to strangers, and quickly adapts itself to new situations.

Oklahoma's Laggard Compensation System

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The experience of a quarter century under the Workmen's Compensation Law has brought to the surface many latent defects in the Oklahoma system of compensating industrial accidents. Although changes in the law have been made at almost every legislative session since its enactment in 1915, the Oklahoma system still remains shamefully inferior to other states in the workmen's compensation field.

The promotion of industrial safety and the prevention of industrial accidents are activities of the Department of Labor and the Department of Mines. The former is concerned with working conditions in factories, workshops, machine shops, foundries, laundries, etc., while the latter inspects safety conditions in the coal, lead and zinc mines of the State. Vocational rehabilitation work for disabled industrial workers is handled by the State Board of Vocational Education, under control of the State Board of Education. The State Industrial Commission and the State Board of Education are authorized to formulate plans of cooperation in reporting and rehabilitating permanently disabled employees.

An evaluation of the safety work may be made from accidents reported to the State Industrial Commission, which is charged with the administration of the Workmen's Compensation Law. Records of the Commission show that accidents dropped from 60,583 in 1927 to 31,023 in 1937, a comparative decrease of 29,560, or 48.8 per cent, within a single decade in the number of maimed and disabled Oklahoma industrial workers. Injuries in the coal, lead and zinc mines of the State for the fiscal year 1937 were less than two per cent of those recorded in 1927. Accidents reported to the State Industrial Commission for the year 1941 show a further decrease in injuries as compared with those reported in 1937. Thus, safety work has shown astounding results despite

the fact that large units of complicated machinery have been introduced into the industrial process and augmented by an accelerated "all-out" war production program. With the productive process shifted to higher gear, the toll of life and limb results in a greater accident frequency rate. In order to counter-balance these added hazards, safety work necessarily becomes an increasingly invaluable part of the compensation system.

During the year 1937 the average amount of total compensation awards to reported accidents was \$80.90. Since the number of reported accidents during the year was 29,560 less than those reported in 1927, it seems that safety work played an important part in effectuating a saving of that amount for each such accident prevented, or a total of \$2,391,404.00 for Oklahoma industry during the year. This amount is 95 per cent of the total compensation awards by the State Industrial Commission for the year. Aside from the economic desirability of safety work, the social results extend to civic and community benefits.

Now as never before, safety work is an important factor in American social and economic life. With the conversion of industry to a war production economy and the mass influx of inexperienced workers into war industries, the accident factor has become increasingly important. Records show that more than two million persons were disabled in manufacturing industries of the United States in 1941, resulting in the loss in excess of 42 million work days. This lost production would have added many articles essential to war industries. Some appreciation of the magnitude of this loss is reflected in a recent news dispatch to the effect that a San Francisco ship building company has launched an 8,000 ton ship within 80 hours after the keel had been laid.

This appalling accident loss record is attributable to several causes. In the first place, older men are replacing younger workers who are called into military service. In many cases this means a new working environment for the older worker. His inexperience and unfamiliarity with the inherent dangers of mass production greatly increase the chances of accident. The older man is more susceptible to the hazards of industry. His bones are more brittle and fragile than those of younger persons and, thus, crack easily; his physical stamina and alertness to avoid sudden dangers are

inferior to that of younger men. Injury to an older person is not only more frequent, but is more severe in its disabling effects and involves a much longer healing period. Employment of an increasingly large number of women in war industries presents somewhat similar accident problems, especially for those not having previous experience in machine production.

The introduction of new "speed-up" methods in an already accelerated war production program, operating under crowded working conditions, presents an almost inhuman problem for the safety experts. With the manpower problem reaching an acute stage, it is evident that safety work is undergoing an enormous strain such as has never before been experienced in American industry.

In many cases, when an industrial worker is permanently disabled he may be given vocational guidance and training to fit him for some gainful and useful service. During the past year the State Industrial Commission of Oklahoma, as well as many other agencies, have been cooperating with the State Board of Vocational Education in its vocational rehabilitation work with injured industrial workers. The Board reports a case load of 7,465 for the fiscal year ending June 30, 1942. Of this number, 847 handicapped persons were trained and placed in productive jobs. This important governmental function is essential to the Workmen's Compensation Law of Oklahoma in that it picks up where compensation stops, thus diverting the disabled worker from a potential charity charge to an efficient and self-sufficing producer. These benefits enure not only to the personal welfare of the disabled worker and his family, but also to industry in added manpower. None the less important is the fact that the public is relieved of an otherwise potential tax burden for charity.

The State Industrial Commission is badly in need of an adequate system of compiling statistical data on industrial injuries occurring in Oklahoma industries. The factual information in the files of the Commission is of little value to mechanized industry in its present crude form. Under the Workmen's Compensation Law all accidents are required to be reported to the Commission.

If these data were compiled, classified, and subjected to statistical analysis the information deducted therefrom would serve as

an excellent basis for improving safety methods in Oklahoma industries and could be used as a yardstick for measuring the many deficiencies in administrative functions relating to the Workmen's Compensation Law. Administrative efficiency could be weighed against these statistical indices, which would indicate defects in the law's procedural operation, and perhaps offer the solution to many prevailing maladjusted conditions in industry as well. Such fact-finding studies would point out the cause and source of accidents, from which definite remedial recommendations could be made, based upon actual facts gathered from the very source of conditions existing in Oklahoma's industries. Aside from these important benefits, this information would be of invaluable aid to the State Insurance Board in its task of fixing and equalizing rates on workmen's compensation insurance.

Framers of the Workmen's Compensation Law in covering *accidental* injuries arising out of and in the course of a hazardous employment, had visualized such instantaneous injuries as those caused by falls, ladder and scaffold breaks, contacts with moving machinery, and injuries from flying missiles or falling objects. The qualifying word "accidental" is of significance. Generally speaking, accidents fall into two general classes, viz: (a) *traumatic*, or those resulting from external causes, such as contacts with moving machines, explosions, flying missiles, etc., and (b) *nontraumatic*, involving no external mishaps, as the inhaling of poisonous fumes, back and muscular strains, physical overexertion, ruptures, etc. Both types of accidents are covered by the Oklahoma workmen's compensation law, provided the injury is accidental in character and arises out of and in the course of an enumerated hazardous employment.

The Supreme Court of Oklahoma, in the case of Johnson Oil & Refining Company v. Guthrie, 167 Okla. 83, 27 P. 2d. 814, has discussed the word "accidental" as follows:

"The adjective 'accidental' is not a technical term but a common one, whose popular usage would not necessarily mean that the words 'accidental injuries' indicated the existence of an accident, but rather the idea that the injury was either unintended or unexpected. . . In the term 'accidental injuries' the substantive 'injuries' expresses the notion of the thing or event, i.e., the wrong or damage done to the person; while 'accidental' qualifies and describes the noun by ascribing to 'injuries' a quality or condition of happening or coming by chance or without design, taking place unexpectedly or unintentionally."

The Oklahoma law does not cover occupational diseases, which are a natural result of working conditions in the mines of this state. These diseases are contracted over a period of years, and, are therefore, not accidental in character, within the purview of the Workmen's Compensation Law. The general view of the Oklahoma Supreme Court on the question of occupational diseases is expressed in the case of *St. Louis Mining & Smelting Company v. State Industrial Commission*, 113 Okla. 179, 241 P. 170, which has been cited with approval in numerous subsequent cases, to-wit:

"Under our act . . . injury is defined to mean 'accidental injury' and the basis of a claim for compensation must be a casualty occurring without expectation or foresight; occupational diseases, sustained in the course of employment where from the nature of the work such diseases are likely to be contracted, are excluded as a basis of compensation, for an occupational disease is not an accidental injury."

The Court distinguishes between an accident and an occupational disease in the case of *Gillespie & Sons Company v. Johnson*, 160 Okla. 222, 16 P. 2d. 870, as found in the syllabus:

"An accident, as contemplated by the Workmen's Compensation Law . . . is distinguished from an occupational disease, in that it arises by some definite event, the date of which can be fixed with certainty, but which cannot be so fixed in the case of occupational diseases."

The courts have held, in substance, that there must be a definite particular occurrence to which an injury can be attributed. Otherwise there is no *accidental* injury, but the injury falls in the classification of an occupational disease and, is therefore, not covered by provisions of the Oklahoma Workmen's Compensation Law. As has been said in the case of *United States Gypsum Company v. McMichael*, 146 Okla. 74, 293 P. 773:

" . . . Oklahoma's law . . . makes an accidental personal injury a condition precedent for compensation of a workman engaged in hazardous employment. Such a condition excludes injuries arising exclusively from occupational diseases."

The great problem of occupational disease lies in dust infections of the lungs, of which silicosis and tuberculosis are the most prevalent among miners. They are slow and insidious in contraction, requiring years of exposure to coal and silica dust-laden air and underground dampness in mines. Miners breathe the tiny, sharp particles of dust, which irritate and inflame the delicate tissues of the lungs. It has been estimated that ten years continuous

work under such extreme exposure incapacitates the worker. Silicosis is closely associated with and very often develops into tuberculosis. Moreover, the silicotic workman, by reason of his weakened condition and lowered resistance to disease, may develop pneumonia, apoplexy, hardening of the arteries, or some other terrifying disease. This presents a recognized health problem, as well as other problems of social and economic significance.

A report of the Federal Relief Administrator for Oklahoma, released in 1934, indicates the effects of silicosis contracted by workmen in the lead and zinc mines of Ottawa County. The FERA report gives the following descriptive picture of the county:

"Ottawa County relief rolls list the names of 750 cases in which the widow of a former miner is the sole wage earner. In addition, there are 202 cases in which women are the wage earners because their husbands . . . have become unable to perform productive labor. There are 48 cases in which women are the wage earners because their husbands are incapacitated because of tuberculosis.

"For hundreds of former workers the mines are closed forever. They either worked out their span of usefulness or else the ravages of silicosis or tuberculosis have left their mark. . . . The ERA case load in this county shows that there are 635 miners who fall within this classification. These men are not dropped from the active work lists because they have passed an arbitrary age limit, but because their individual capacity to perform their duties is impaired."

Some indication of the effects of these diseases upon the relief problems of the county, and thus the tax burdens of the taxpayers, is found in the following statement of the report.

"Sixty-two per cent of the population of Ottawa County was dependent upon federal aid during October (1934). This means that out of a population of 38,542 there was . . . an open case load of 5,689, each case of which represented 4.2 persons. This gives a total number of persons dependent upon federal relief of 23,893."

Disability compensation in Oklahoma is barred from silicotic and tubercular victims. Thus, the compensation denies miners and their families equal protection with other industrial workers of the State. This discrimination is not made in the leading compensation states, and is foreign to the basic purpose of a system of compensation for loss of earning power. The *cause* of an injury does not minimize or change its effects. The injury may be traumatic and accidental in character, thus happening suddenly and unexpectedly; on the other hand, it may be slow and gradual in its contraction. In either case both are disabling injuries and

result in loss of wage earning capacity, due to exposure to industrial hazards. The law differentiates between the two causes on the basis of the *time of occurrence*. The Oklahoma law uses this criterion of distinction in excluding occupational diseases. The social and economic maladjustments resulting therefrom are tossed into the laps of the taxpayers as charity burdens, and demoralize the civic welfare and public pride of the community and State.

A condition of law exists whereby partially disabled workers, still employable, are at a disadvantage in seeking remunerative employment in industry. 85 Oklahoma Statutes Annotated, section 22, subdivision 6, provides that "The fact that an employee has suffered previous disability . . . shall not preclude him from compensation of a later injury . . ." By reason of this provision of the Workmen's Compensation Law the one-eyed, one-legged, and one-armed person is at a great disadvantage when he asks an employer for a job. Why? Because if the employer were to hire a one-eyed person, for example, who later received an injury to the remaining eye, compensation liability, under the law, would extend to disability of both eyes (See *Hubbard Drilling Company v. Moore*, 158 Okla. 132, 12 P. 2d. 900). This provision is unfair to industry, which cannot be expected to assume this added liability.

Under 85 Oklahoma Statutes Annotated, section 47, an agreement waiving compensation benefits as provided by the Workmen's Compensation Law is null and void. It seems, therefore, that the only choice remaining for the employer is to refuse to hire such partially disabled persons, if he is to avoid potential double liability. As a result, many of these individuals are forced into the ranks of the unemployables, and turn to public assistance for economic survival. Accordingly, this situation has its repercussion on the public by an increased charity tax burden of the citizenry.

The Oklahoma compensation system will continue to remain pathetically sub-standard as long as injuries resulting in death are not compensated. This prohibitive feature of the system is based upon Article XXIII, Section 7, of the State Constitution, which provides as follows:

"The right of action to recover damages for injuries resulting in death shall never be abrogated, and the amount recoverable shall not be subject to any statutory limitation."

It is interesting to note that labor was directly responsible for the placing of this provision in the Constitution. When the Constitutional Convention met to draft a constitution for the State of Oklahoma, labor leaders pointed out that some states limited the amount of damages recoverable for injuries resulting in death. This legislative limitation had resulted from the practice of juries returning exceedingly large verdicts in the courts of some states. Oklahoma labor interests desiring to avoid any restriction on the amount of damages for fatal injuries, succeeded in placing in the Constitution the above mentioned provision. It had, in addition, become the common practice of many employers in Oklahoma Territory to require agreements from workers, waiving rights to damages in the event of fatal accidents sustained in the course of employment. The basis of such agreements was the English common law rule of "Assumption of Risk," wherein it was reasoned that the worker seeking a job was familiar with the common hazards connected with his duties, and since he took the job knowing such risks he should assume the consequences, as he had previous knowledge that such an accident might happen. This common law rule, for non-fatal accidents has of course, been abrogated by the passage of a workmen's compensation law.

At the time the Oklahoma Constitution was adopted it was logical stratagem on the part of labor to secure these safeguards. It provided for labor the guarantee of full protection under existing conditions of master and servant relationship. However, when the Workmen's Compensation Law was passed in 1915—just eight years after the Constitution was adopted—it was found that the socio-economic conditions had out-grown the need for this limitation on the power of the Legislature. By reason of this constitutional limitation, the compensation system stops where death begins. It excludes fatal accidents.

Oklahoma voters thrice have turned down the chance to amend this drastic provision of the Constitution. The first proposal was submitted to the electorate at the primary election August 1, 1916, after just one year's experience under the Workmen's Compensation Law. A total of 190,130 persons voted on the measure, of which 50,998, or 27 per cent, were for adoption, while 139,132, or 73 per cent, opposed the amendment. The number of votes neces-

sary to have carried the measure was 100,227, or 53 per cent of all votes cast on the same. Thus, almost twice as many affirmative votes as were cast would have been necessary to have passed the amendment.

The second proposed amendment was voted upon at a special election held October 2, 1923, when a total of 258, 119 ballots were cast on the measure. Affirmative votes were 137,358, or 53 per cent, while the opposition recorded 120,761 negative votes, or 47 per cent of all votes cast on the proposal. An affirmative vote of 144,551, or 56 per cent, was necessary to have carried the amendment. The measure lost by the small margin of 7,193 votes, or actually less than three per cent of the total ballot.

Little was known of the social and economic effects of this prohibitive constitutional feature when the proposed amendment was first voted upon in 1916. With only one year's experience under the compensation system, it would appear that the initial proposal was defeated because of unfamiliarity with the law, and a general lack of adequate "trial and error" experience under the system. There was neither a major disaster involving injuries during the period to test the system, nor any extraordinary fatal accidents in industry to focus attention on the defects of the death provision under which the system operates.

When the second amendment was placed before the people in 1923, eight years of experience under the law had brought a definite trend of public sentiment favoring death coverage. Several major coal mine catastrophies had occurred during the eight-year period, which readily brought to public view the defective feature of the compensation system. However, in both cases the amendment was submitted along with a number of other proposals, some of which were vigorously contested. No doubt the unpopular measures gave weight to the defeat of the first two proposed constitutional amendments.

In August, 1932, Governor William H. Murray appointed a committee of five to investigate the compensation system in Oklahoma, and to recommend a plan of insurance for every hazardous occupation, including mining. A report was submitted to the Governor on December 29, 1932, in which the Committee recommended changes in the law to cover fatal accidents, and to correct

the conditions affecting partially disabled persons who seek employment in Oklahoma industries. Thereafter, the fifteenth session of the Legislature (1935), by Engrossed House Joint Resolution Number 13, attempted a constitutional amendment to include fatal accidents in the compensation system for submission to the electorate. The Resolution passed the House April 17 by unanimous vote, but was killed in the Senate April 30, by a vote of 28 to 11.

The Oklahoma electorate voted a third time upon proposed constitutional amendment at the general election held November 3, 1942. A total of 253,298 persons voted on the amendment, of which 144,846, or 57 per cent, were in favor of its adoption, while 108,452, or 43 per cent, opposed its enactment. Since Oklahoma Constitution requires a majority of all votes cast in a general election for adoption of an amendment, and since the total vote cast was 406,833 the amendment failed by 58,571 votes. It would seem that after more than a quarter of a century under this drastic constitutional bar, the electorate would cast off this yoke of harsh and drastic tax burden provision, and at the same time improve the civic pride of the State by greatly eliminating many cases of social maladjustment. However, it must be remembered that this proposal, submitted at the general election, was over-shadowed by the interest of voters centered upon candidates for major state and federal offices. Also, the workmen's compensation amendment was submitted along with a proposed teacher's retirement amendment, which was very unpopular with the teachers of the State who fought bitterly for its defeat. Thus, the spot-light being focused on major political candidates, as in every general election, and the submission of the workmen's compensation amendment along with an unpopular amendment bitterly contested, together with the fact that this was a "war conscious" electorate, are possible factors causing defeat of the measure. Public sentiment, too, is slow in its process of crystalization, especially when the underlying situations are little publicized.

A sad experience in the death feature of the compensation system is recorded in the coal mine explosion at McAlester in December, 1929, when the blast killed 61 miners, leaving 250 surviving dependents as subjects of charity. The American Association for

Labor Legislation reports that the American Red Cross paid out approximately \$91,000 in relief of these dependents. Oklahoma citizens paid this subsidy to the coal mining industry in the form of contributions to the American Red Cross. This experience, only one of many, vividly pictures the atrocious effects upon the public of a defective compensation system, as well as the socio-economic results to individuals directly affected.

Such disasters throw multitudes of citizens on direct charity and relief; plunge industrial concerns into bankruptcy or stringent financial crisis, through damage suit evils; place a heavy burden on the public, as these poverty-stricken persons must be supported by public funds; retard community progress, as a result of maladjusted social and economic conditions; and, bleed the very heart of civic pride! The social consequences drive widows to the wash-tub for economic survival. Undernourished and poorly clothed and house children grow up in an undesirable environment, and mature into social misfits. In many instances crime and disease follow.

Social and economic stability cannot prevail within a community as long as such disrupting factors continue to undermine the financial structure of individual enterprises, which are so necessary to the economic survival of the area. The effect upon industry is pictured in an editorial of the Vicksburg (Mississippi) Herald, in which it is stated that in a single county of that state 250 accident suits were filed against industrial establishments for a total of \$10,000,000.00. The editorial concludes with the following statement:

"... such a record as has been made in damage suits and published to the world will make investment capital in certain lines think twice hereafter, before they invest their money in such a county."

This might well serve as an example of what is happening in Oklahoma, which is the only state under a compensation system that excludes fatal accidents. Under the present system the State Industrial Commission may award as much as \$3,000 for an injury resulting in the loss of hearing or permanent disfigurement of the head, face, or hands, but is without jurisdiction to make an award in fatal injury cases. In substance, the State Supreme Court has held in the case of *Skelly Oil Company v. Skinner*, 162 Okla. 150, 19 P. 2d. 548, that the loss of all teeth is a permanent and serious

disfigurement, for which the Commission may award a maximum of \$3,000. In the event, however, the accident should result in a crushed head, instead of broken teeth, the Commission is without jurisdiction to make an award. How much more serious and permanent is a crushed head! Broken teeth may be replaced, but there is no substitute for a mashed head.

The Oklahoma compensation system has been weighed in the scales of justice, and found wanting. The present scheme of discrimination in compensating industrial injuries does not bridge the gap between public necessity and social justice.

Oklahoma is not the only state that has encountered constitutional difficulties in the coverage of injuries resulting in death when enacting a workmen's compensation system. The states of Arizona, Kentucky, and Utah, with constitutional prohibition of death coverage similar to that in Oklahoma, have enacted workmen's compensation laws covering accidental death, and these acts have been upheld as constitutional by the courts. This has been accomplished by permitting workers and employers to elect either to come under the Workmen's Compensation Law or to sue at law for damages.

The Kentucky legislature surmounted the constitutional barrier by providing that the employer and employee could elect, at the time of employment, to come under the Workmen's Compensation Law. The legislation was held constitutional in the case of *Green v. Caldwell*, 186 S.W. 648. The Court made the following interesting comment:

" . . . the General Assembly . . . has attempted by this act to limit the amount that may be recovered for injuries or death. It is quite correct to say that (the Kentucky constitution) operates as a restraint on the General Assembly, and prohibits it from attempting to limit the amount of recovery in (death cases). But in this legislation the General Assembly did not arbitrarily or at all undertake to limit the amount of recovery. It merely proposed a statute to a certain class of people for their individual acceptance or rejection. It did not assume to deprive these classes of individuals without their consent of any constitutional rights to which they were entitled. The General Assembly merely afforded by this legislation a means by and through which individuals . . . might legally consent to limit the amount to which the individual would be entitled if . . . killed in the course of his employment.

" . . . this act . . . has set up as to these classes to which it applies a new public policy for this state which it is confidently believed will prove beneficial to all who come under its protection. And the authority for the legislation is found in the police power of the state; in the power to regulate and control by legislation all matters affecting, not only the health and the safety, but

the general welfare of the people individually, as well as in classes into which they may reasonably be grouped; and this extension of the power has been sustained by the courts practically with unanimity."

The Utah Constitution contained a provision worded exactly the same as Article XXIII, Section 7, of the Oklahoma Constitution. Legislation was enacted whereby the Utah Workmen's Compensation Law provided that for injuries resulting in death the surviving dependents were given the right to elect suit at law to recover damages, or acceptance of the benefits allowed dependents of deceased workers under the compensation law. It was provided further that if the dependent elected to take benefits under the compensation system, then he could not sue the employer to recover damages. This law was upheld by the Supreme Court of Utah in the case of *Utah Copper Company v. Industrial Commission of Utah*, 193 P. 24. In declaring this legislation constitutional the Court said, in substance, that the right of a surviving dependent to recover damages for the wrongful death of the provider is, in the final analysis, a property right. That even though, in a limited sense, it might be considered as a personal right, the result to be obtained by such an action is property equivalent to the loss sustained. The Court further said that the right of a dependent to maintain an action for damages or the right to take compensation under the Workmen's Compensation Law has for its object only one purpose—compensation for the death of the individual caused by industrial hazards.

Arizona's constitutional limitation was handled as an elective right in somewhat the same manner as was done in the State of Utah, and the provision was upheld in *Consolidated Arizona Smelting Company v. Ujack*, 139 P. 465, and by the United States Supreme Court in *Arizona Employers' Liability Cases*, 250 U.S. 400.

There seems to be little doubt as to the legality of inserting in the Oklahoma Workmen's Compensation Law provisions providing for election by the employer and employee to accept compensation benefits in death cases in lieu of the right to sue for damages, and further provide for the amount of compensation payable to fatal injury cases. Such provisions would have a two-fold effect: it would provide compensation in death cases and at the same time tend to stimulate interest to secure the adoption of a constitutional amendment making compensation the exclusive remedy for fatal

accidents.

From this review of the Oklahoma compensation system, it is evident that existing major defects retard its effective and efficient operation. As has been pointed out, these conditions are diametrically opposed to the interests of labor, industry, and the public welfare. As a remedy to these glaring defects, and for the purpose of placing the Oklahoma system on a par with other states, it is recommended that the following changes be made in the system of compensating industrial accidents:

1. *A statistical department*, adequate in trained personnel, should be set up in the State Industrial Commission, for the purpose of compiling, classifying, and disseminating factual information on injuries resulting from exposure to industrial hazards of the state's industries. This work should be supplemented by statistical analyses and studies as a factor in safety work and a basis for rate-making in workmen's compensation insurance rates.

2. *Occupational diseases*, contracted by workers in the course of employment, which result in incapacitating injuries or death, should be included in the compensation system by amendment to the Oklahoma Workmen's Compensation Law.

3. *Partially disabled workers* should be eliminated as a potential double liability to the employer, and thereby enhance the chances of those disabled persons to secure remunerative employment, by one of the following methods:

- (a) Permit the partially disabled employee to waive future compensation claims for such existing disabilities, by adding an exception to 85 Oklahoma Statutes annotated, section 47 or

- (b) Amend 85 Oklahoma Statutes Annotated, section 22, subdivision 6, to provide that compensation awards by the State Industrial Commission shall not extend to disabilities existing at the time of the injury for which the award is made.

4. *Fatal accidents* should be included in the compensation system as follows:

The legislature should (a) enact a law surmounting the existing constitutional provision against the inclusion of deaths in the com-

pensation system, by providing that the employer and employee could accept the provision of the Workmen's Compensation Law, at the time of employment, and set a fixed number of weekly payments of benefits to the surviving dependents, based upon his average weekly wage, and,

(b) Submit to the Oklahoma electorate a proposed amendment of Article XXIII, Section 7, of the State Constitution, authorizing the legislature to provide for a complete system of compulsory compensation for industrial employees and their dependents in case of death, and to set up a complete system and schedule of compensation for all injuries, including death, and abrogate the right of common law action for damages in fatal injury cases when arising out of and in the course of a hazardous employment.

These suggested changes would bring greater stability to the laboring population of the State, and thus add immeasurable protection to the security and morale of this class. Industry could operate under a more secure financial structure, by relieving individual enterprises of unexpected large money judgments which now result from the damage suit evil of this state. Improvements in the general and economic welfare of industrial employees would reduce the strain on the public purse. Thus beneficial effects of these recommended changes would extend to all strata of Oklahoma society.

Election of the Governor of Puerto Rico

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Governor Tugwell's recommendation that the governor of Puerto Rico be chosen by popular vote, though well received in the White House,¹ has not received elsewhere the attention given to his economic and social policies. While Congressional committees examined the Puerto Rican New Deal whose essential features were enacted before Mr. Tugwell became governor², its friends pressed for an elective governorship as a means of continuing the program in the event of Mr. Tugwell's removal from office.³ The territorial legislature, including not only the pro-administration majority (popular Democratic) party but also opposition groups as critical as any in Washington, united in condemning the present form of government. Its resolution that "the colonial system of government ought to be totally and definitely abolished in Puerto Rico"⁴ may mean a larger step than electing the governor, but the appointed governor is the key to the existing system, the principal link to Washington and the principal check on territorial initiative.

The appointive governorship is not peculiar to Puerto Rico among American territories and insular possessions, nor are the grievances of the Puerto Ricans unique. Governor St. Clair of Northwest Territory was appointed by the Congress; all others have been appointed by the President. During the first century of territorial government, most governors were not only appointees, but non-residents when appointed.⁵ The Northwest Ordinance required merely that the governor should

¹ *New York Times*, July 4, 1942.

² Oswald Garrison Villard, "Tugwell, Puerto Rico and Washington," *Christian Century*, Jan. 27, 1943, 107-09.

³ Luis Muñoz Marín, "Plight of Puerto Rico," *New Republic*, Jan. 11, 1943, 52.

⁴ *New York Times*, Feb. 11, 1943.

⁵ Tabulation of appointments from Lincoln through Cleveland's first term shows 30 resident to 96 non-resident governors. Many residents were so only technically. Earl Pomeroy, "Carpentbaggers in the Territories, 1861 to 1890," *The Historian*, II (winter, 1939), 62.

reside in the district, and have a freehold estate therein in 1,000 acres of land, while in the exercise of his office.⁶

Congress did not apply this requirement of freehold tenure to Florida or to the trans-Mississippi West, and later governors were restrained in this respect only through limits on leaves of absence.⁷ Discontent with the method of selection was, therefore, easily mingled with opposition to particular appointments and to non-resident appointments in general; demand for popular election of the governor found its way into movement for statehood, which usually was not long delayed.

The practice of appointing non-residents, generally prevailing until Benjamin Harrison's presidency, had its defenders, and not wholly on grounds of patronage. It was difficult to assess local recommendations, sometimes difficult to find residents of proper competence. Intra-territorial rivalries were often so bitter that Democrats, for instance, might prefer a Republican governor to a Democrat chosen from any faction, merely for the sake of party unity. The Republican Committee on the Territories in 1884 summed up some principal defenses of the existing system:

[I]n many instances, owing to party complications and unhealthy alliances . . . , it was almost impossible to select impartial and unprejudiced persons . . . from residents . . . It often happens that schemes exist in the Territories, or a certain policy prevails that Congress is anxious to suppress . . . , with which every resident otherwise fit to be governor is not only identified, but is exerting himself to maintain . . . , and to limit the selection to residents . . . would in such cases amount to encouraging strife and discord . . . ⁸

Territorial discontent with the carpetbaggers was chronic but in general ineffective until the 1880's. Then the prospect of

⁶ Clarence Edwin Carter, ed. *The Territorial Papers of the United States*, II (Washington: 1934), 41.

⁷ Regulated by law from March 3, 1851. IX *Statutes* 61.

⁸ *Requiring the Governors of Certain Territories to be Residents . . . Report: [To accompany bill H.R. 4713.]*, 48th Cong., 1st sess., H. Rep't 477 (Feb. 25, 1884), 1. The reference probably was to Utah, but a year or two later might have been as well to Montana and Wyoming, where resident governors were at odds with the General Land Office's conservationist policies.

several early admissions to statehood and for the minority party the prospect of cutting down presidential patronage, led both Democrats and Republicans to call for a policy of resident appointments. Cleveland's experience was discouraging; Harrison was more successful, appointing residents of large majorities in all territories. Their successors continued the practice in the remaining contiguous territories.⁹

The United States thus faced the problems of insular possessions with a newly established practice of resident appointments. Some of the new dependencies received like treatment. Over half of the territorial officers (governors, secretaries, judges, commissioners) of the district and later territory of Alaska have been residents. About one-third of Puerto Rican appointees have been residents, though these have included no governors. All but two of seventy-odd officers in Hawaii have been residents.

In Hawaii not only did resident appointments follow naturally on the high state of political development preceding annexation, but Congress has guided the presidential hand. The organic acts of 1900 and 1921 established requirements of, first, Hawaiian citizenship, and, then, of three years' residence for governors, secretaries, and judges.¹⁰ President Roosevelt's request for a suspension of this rule in 1933 aroused sharp criticism and refusal.¹¹ There has, however, been no serious move to extend the limitation to Puerto Rico or Alaska, nor any serious move to make the governorship of Hawaii or of Alaska elective.¹² Advocacy of statehood for Hawaii has been too vigorous an alternative, and the appointed resident governors have enjoyed fair popularity. Puerto Rico, having much slighter prospects of statehood, and having an active autonomist group of long standing, is a natural site for a move toward what would be the most drastic change

⁹ Pomeroy, *op. cit.*, 53-64, *passim*.

¹⁰ XXXI *Statutes* (April 30, 1900) 153, 157; XLII *Statutes* (July 9, 1921) 120.

¹¹ *San Francisco Chronicle*, May 24, 1933, quoting *Honolulu Star-Bulletin*; *Authorize the Appointment of the Governor of Hawaii without Regard to His being a Citizen or Resident of Hawaii*, 73d Cong., 1st sess., H. Rep't 168 (May 27, 1933), 3, 4.

¹² The nearest approach to an elective governorship was in Utah before the Mormon War, when Brigham Young's appointment was in the nature of presidential acquiescence in the choice of the Church. Presidents often sounded out party committees, especially after 1889, but only informally.

in territorial government in more than a century.

Most of the objections levied in past times against resident appointments bear on election as well. The bitterness of party strife in Puerto Rico will raise the question of whether political minorities can work any more effectively with an elected governor than they can with Governor Tugwell, who is accused of being close to the majority party. Election here would be a more drastic innovation than in Hawaii, which has had resident officers almost exclusively for forty-three years, whereas Puerto Rico has never had the experience of having a resident governor. The Brookings Institution survey of Puerto Rico (1930) recommended that election of the governor should be considered only after thorough revision of the organic act and after a period of appointed resident governors.¹⁸ Election of the governor would turn all check on territorial legislation to Washington: the tendency traditionally has been to leave as much as possible to the governor, who is better able to gauge and respond to local needs and sentiments.

If Congress should permit election of the governor (and perhaps of the attorney-general and commissioner of education), it will be turning from a recent trend to uniformity in the treatment of American dependencies to an earlier and perhaps more realistic disposition to variety. Even before the Spanish-American War, there were four different types of territories under formal national control: the continental territories, excepting Utah, which had a special commission as well as the regular appointed officers; the District of Columbia, whose brief experience in self-government along the territorial model ended in 1874; and the District of Alaska. With the turn of the century came further diversity, special forms of government for the Philippines, Guam, Puerto Rico, American Samoa, and the Canal Zone. Hawaii alone came under the territorial system. The Bureau of Insular Affairs, in the War Department, became a colonial office for most of the insular dependencies, leaving Hawaii, Arizona, New Mexico, and Oklahoma to the Department of the Interior. During the years 1912-17, however, Congress, under a liberal impulse, passed organic acts more on the model of the traditional continental territory: Alaska, the Philippines, Puerto Rico, and, as far as possible, the

¹⁸ Victor S[elden] Clark *et al.*, *Porto Rico and its Problems* (Washington: the Brookings Institution, 1930), 105.

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Virgin Islands. No further essential changes occurred until 1934, when, with the Philippine Commonwealth government in process of establishment, the President gathered the remaining territories and insular possessions under a new Division of Territories and Insular Possessions.¹⁴ Theretofore as the *New York Times* pointed out, "the matter of territorial administration had been handled by a number of units."¹⁵ Such consolidation, and the Division's absorption of non-political functions distinct from those of the old system of territorial government, such as the Alaska Railroad, amounted to recognition that the day of the old continental territory was past and that the twentieth century insular dependency demanded special treatment. Before 1898 statehood was usually so near at hand that reformation of the territorial system and consolidation of administration were not pressing needs. Miscellaneous federal services remained outside the system because they would be administered separately after admission. Under the new Division, there were signs that centralized administration would be followed by a specialized colonial service, equally unknown in the preceding century: both chiefs of division came from the governorship of Puerto Rico, and the first, Ernest Gruening, left the Division to become governor of Alaska.

More recent indications are that consolidation (and the separation of the Philippines) will not mean stabilization of the existing forms of government. Hawaii voted overwhelmingly for statehood in 1940. Political, economic, and social unrest in Puerto Rico, all of long standing, have asserted themselves with marked vigor under the aggravation of wartime economic conditions. The custom has long been that national should give way to local authority and desire in political matters affecting American dependencies. There is no particular reason why there should not be further and more drastic constitutional diversification now where military demands permit. Within the general and deceptively uniform frameworks of the organic acts, the governments of the continental territories were in large part "defined through the free vote of the people themselves," as Puerto Rico now asks

¹⁴ *Executive Order* [No. 6726] (May 29, 1934). See *Annual Report of the Secretary of the Interior* . . . 1935, 23-24.

¹⁵ November 4, 1934, VIII.

to have its own government defined.¹⁶ Puerto Rico has formed much of its own system, notably the practice of appointing cabinet officers from the majority party. The law officer of the Department of State pointed out in 1870 that

in construing provisions for the self government of an inchoate state, under our principle of administration, every intentment is to be made in favor of the powers of the local legislature and in restriction . . . of the residuary power which Congress might have retained . . .¹⁷

At that time, without a real colonial office and with Idaho more remote in time than any part of the world now, there was no real alternative of close supervision. Today the administrative machinery exists, but in seconding Governor Tugwell's suggestion of an elective governorship, the administration shows no desire to exploit its powers to the fullest.

If Congress permits election of the governor and the two appointed members of his cabinet, while continuing to pay certain salaries and large special subsidies, the government of Puerto Rico will be unique both within and without the American orbit. If full independence or statehood should ensue, the question will no longer be one of the government of dependencies. These two latter alternatives seem unlikely, for, on the one hand, the nationalists have had a small following and little economic justification—Puerto Rico's economic future, black though it is, is tied to that of the United States—, and, on the other hand, the very structure of Puerto Rican party organization assumes relative isolation from national politics. Poorer and smaller states have been admitted, but in circumstances not likely to recur. Whatever the change, its very individuality will be in the American tradition, more than adherence to an outworn form. If, during and after the war, the United States should acquire larger responsibilities in dependent areas, prospects are that it will meet them with flexibility and liberality. As the administration recognizes in referring to Governor Tugwell's proposal as a fulfillment of the Atlantic Charter,¹⁸ the political settlement in Puerto Rico may be a test case.

¹⁶ *New York Times*, Feb. 11, 1943.

¹⁷ Draft letter by E. Peshine Smith, Secretary of State to J. W. Shaffer, governor of Utah, Aug. 2, 1870. *Territorial Papers, Utah*, II: 709-11.

¹⁸ *New York Times*, July 4, 1942.

Joint Costs from the Viewpoint of the Economist, the Accountant and the Business Man

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For purposes of this discussion I shall define joint products as two or more products which can be produced more cheaply together than separately. That is to say, the more that is produced of one, the more can be easily produced of the others, assuming no change in the technological methods employed and no change in breed. Joint costs, in turn, are those costs of producing joint products which are common to the various products.

There are, of course, other acceptable definitions of joint costs. Professor's Pigou, Taussig and Seligman several years ago debated the definition of joint costs in several issues of "The Quarterly Journal of Economics."¹ The result was, I believe, "no decision." As regards definition, I do not propose to add anything to what these gentlemen have already said.

The position of the Economist on the subject of joint costs is clear. The determination of the total cost of producing all of the joint products presents no difficulties. However, allocation of this total cost to the various products so as to obtain a total cost for each of the joint products is impossible. Of course, the costs, if any, that are applied to the various products after the split-off point, i.e., after the various products receive their separate identities, may be accurately assigned to the various products. But the costs that are applied before the split-off point is reached, i.e., the common or true joint costs, can not be allocated on any logical basis, and any arbitrary allocation that may be made is utterly without economic significance.

This means that from the viewpoint of the Economist the average total unit cost of any joint product is indeterminate. However, this fact does not give the Economist any great concern, as it is marginal cost rather than average total unit cost which appears to the Economist to be of significance to management in the prob-

¹ V, 443-45; XX, 630-31; XXI, 151, 155-82; XXVII, 378-84, 535-38, 687-94.

lems of pricing, the best price being at the point at which marginal cost and marginal revenue are equated.

It appears that there is little question but that the Economist is correct in his analysis of joint products and joint costs. One might suppose, therefore, that cost accounting theorists would simply dismiss the subject of joint costs with the statement that average total unit costs of the various joint products are indeterminate, and that arbitrary figures are of little or no value to management in the formulation of policies, and that, therefore, joint costs may just as well be left undistributed. However, this attitude is not adopted. Almost without exception, writers of cost accounting textbooks devote some space to the subject of joint costs, and among those who do discuss the subject, without exception, one or more methods of allocating the joint costs to the various products are recommended as being the "reasonable" or "equitable" methods.

There are two basic methods recommended by cost accounting textbooks for the allocation of joint costs. One method is to base the allocation on the relative volume, weight, atomic weight or heat units of the finished products, and the other is to base the allocation on the market prices of the various products. There are several variations of each of these two basic methods.

What are the justifications which the authors of cost accounting textbooks give for the allocation of joint costs to the various products? In other words, what purpose does the allocation serve? Different authors emphasize different purposes, some mentioning two or more purposes. These purposes may be summarized as follows:

- (1) To obtain a figure representing gross profit on sales for each product.
- (2) To obtain an average total unit cost figure for each product.
- (3) To determine the amount that may be spent profitably in selling and marketing the various products.
- (4) To permit the valuation of inventories.
- (5) To permit operating efficiency comparisons.
- (6) A considerable number mention no purpose, but merely state that the joint costs should be "reasonably" or "equita-

bly" allocated, the exact meaning of the terms "reasonably" and "equitably" being left quite vague.

While one and possibly two of these purposes of allocating joint costs are indeed legitimate from the viewpoint of the accountant and the business man, none of the popular cost accounting textbooks seem to contain a satisfactory discussion of the purpose of allocating joint costs, in view of the economic principles involved. The authors of cost accounting textbooks either are not familiar with these economic principles or else they ignore them when writing about joint costs.

By way of illustration, Prof. C. L. Van Sickle in his textbook "Cost Accounting" states:

"Each joint product . . . has its market . . . value. It is desirable, if possible, to know its cost also, in order that the gross profit or margin can be ascertained on each joint product."²

At another point in the same chapter, in discussing what he refers to as "The Average Cost Method" of allocating joint costs, Prof. Van Sickle says.

"This is a very simple method, but it affords no accurate means of ascertaining the gross margin on any one joint product."³

Prof. Van Sickle apparently believes that two other methods which he also discusses to afford accurate means of ascertaining gross margin on each product, and he recommends these two methods as being superior to "The average cost method." Thus, although he does not explain the basis of its importance, Professor Van Sickle apparently believes that the determination of gross margin for each product is the important consideration in allocating joint costs.

Yet, the economist would say that the "true" gross margin on each separate product is indeterminate, and that any figure actually used as gross margin is entirely without significance. Furthermore, it is not at all necessary to show a separate gross margin for each product on the profit and loss statement. It would appear, then, that obtaining separate gross margins is not an important reason for the allocation of joint costs.

An example of another misconception which cost accounting

² Van Sickle, C. L., "Cost Accounting", 543, Harper & Brothers, first edition, 1938.

³ Ibid, 546.

theorists seem typically to have regarding the purpose of apportioning joint costs is well illustrated by the discussion of the subject which Dr. Charles Reitell has included in the latest revision of his textbook, "Cost Accounting." Dr. Reitell appears to believe that one of the purposes of allocating joint costs is to obtain an average total unit cost figure which will be of value in setting the prices of the various products. For example, after recommending market prices as being generally acceptable as a basis for allocation, Dr. Reitell says:

"The use of market prices in distributing joint-costs sometimes produces unsatisfactory results. If prices of some of the joint products fluctuate sharply over short periods of time, the costs found for all the joint products will likewise fluctuate, without good reason, and be of little utility as indicators of manufacturing efficiency or for price setting. To offset this disadvantage, average market prices over a period of time, or normal market prices, are often used instead of actual market prices."⁴

Now, the view that the price of the various joint products can be logically based on average total cost figures that have been obtained by apportioning the joint costs on the basis of market price, or even average market price, is erroneous in at least three particulars. First, as has already been pointed out, it is not average total unit cost but marginal cost that is usually of real significance in price setting. Even if it is admitted, however, that average total unit cost may be of considerable significance in particular cases, and I am certainly willing to admit this, yet the average total unit cost of joint products could not be a logical basis for price setting, inasmuch as the true total costs of joint products are indeterminate, and any apportionment of joint costs that is actually made, as has previously been pointed out, is utterly without economic significance. These two fallacies will apply regardless of what method of allocating joint costs is used. However, if the method used is based on market price or average market price there is, in addition to these two errors, the error of reasoning in a circle. Here is the chain of reasoning that is followed if this method is used. Cost is determined by past or present market price. In turn, future market price will be determined by this

⁴ Reitell and Johnson—"Cost Accounting", 256, International Textbook Company, 1937.

same cost figure. If this policy were actually followed in price setting, the relative prices of the various products would never change, except as relative costs after the split-off point might change. This, obviously, might be a very disastrous pricing policy for a business man to follow.

At this point a brief digression concerning the real problem of pricing joint products appears to be in order.

Even if it is assumed for a moment that true total unit costs for each of the joint products are determinable, which, as has been pointed out, is not admitted by the economist, the problem still is not to set a price for each product that will cover the total cost, but to set prices for all of the products that will result in the greatest net income to the business.

The fact that the relative production of each product is more or less constant is of great importance. For example, if production is increased to the point where maximum net income is obtained from one product, it might well be that the demand for a second product would not be sufficient to take the entire quantity produced at a price that would cover total cost. Thus, a per unit loss would be sustained on this second product. Yet the total net income of the business might easily be greater under this condition than if production were reduced to a point that would permit a per unit profit above total cost on each separate product.

In other words, a change in the price of any one of the joint products will tend to increase or decrease the output of the other products, and thus tend to increase or decrease the price at which this output can be sold. The pricing of any one of the joint products does not, therefore, constitute a separate problem; rather, the pricing of all of the products must be considered a single problem.

It should be understood that in this digression some degree of monopoly or monopolistic competition has been assumed, as a pricing problem can hardly be said to exist, from the viewpoint of the individual firm, under conditions of pure competition.

Space will not permit further discussion of the purposes which the allocation of joint costs can not logically serve, except to say that in view of the economic principles involved, average total unit costs of joint products are also without significance in the deter-

mination of the amount that may be spent profitably in selling and marketing, a purpose occasionally mentioned for allocating joint costs. I must now turn to the purposes which the allocation of joint costs to the various products can serve.

Business men are faced with one problem in the case of joint products which must be solved in some way. If it can not be solved logically, it must be solved in some arbitrary manner. This is the problem of valuation of the inventories of the various joint products. Even if the business man himself were not personally interested in arriving at a figure representing the value of his inventories, which he, of course, is; nevertheless, the problem would exist, for the various inventories would have to be valued for tax purposes. Now, if the usual method of cost or market, whichever is lower, is to be followed, some figure must be adopted as the "cost" of the various inventories, even though it be an arbitrary figure.⁵ Here, then, is the only important purpose of allocating joint costs to the various products.⁶

Now, if valuation of inventories is the basic reason for allocating joint costs to the various products, it seems that the basis of allocation selected should be that basis which will give the most satisfactory results from the standpoint of inventory valuation. I am purposely using the word satisfactory rather than the word reasonable, logical or equitable because it appears that no basis of allocation is theoretically any more or less reasonable, logical or equitable than is any other method.

If there be several alternative methods of computing the cost of the inventories, and if all of these methods are considered equally sound and conservative, it would appear that the business man would prefer the method which would result in the most stable figure from year to year for net income. In addition to the advantage which a stable income figure gives to a business in the

⁵ Of course, market price less estimated cost of marketing might be used for inventory purposes, in which case it would not be necessary to allocate the joint costs.

⁶ At least one cost accounting textbook author, and perhaps others, not only recognizes this, but clearly states it in his textbook:

"It should be understood clearly at this point that whatever allocations of joint-costs are made the purpose in all cases should be the reasonable evaluation of inventories."

See Schlatter, Charles F.—"Advanced Cost Accounting", 183, John Wiley and Sons, Inc., 1939 edition.

eyes of the investor, it is quite possible that stable income figures will result in a smaller amount of federal taxes paid by a corporation or its stockholders over a period of years than would unstable figures of the same long run amount. If the business is organized as a partnership or an individual proprietorship there would certainly be a very strong tendency for stable net income figures to result in a smaller total tax payment over a period of years. Of course, the provision allowing the offset of net operating losses of one year against the net income of the succeeding year or two years has reduced to some extent the value of stable net income figures for reducing total tax payments over a period of years.

The determination of which basis of allocation of joint costs will result in a more stable net income figure would in some cases constitute a rather difficult problem. However, in many cases I believe that an accurate judgment could be made regarding the relative merits of any proposed methods of allocation as regards stability of the net income figure. I shall not attempt at this time to indicate the solution of any complicated problem of this sort; but, for purposes of illustration, will indicate the solution of a very simple situation.

For example, let us assume that the question is whether the use of total selling prices or of total weights of the joint products produced will result in a more stable net income figure, and let us assume, further, that there are only two joint products. Under these assumptions there are two factors to consider, fluctuations in prices and variations in the relative sales of the two products from period to period.

In the valuation of closing inventories a declining general price level might easily result in "market" being lower than "cost" for one of the products, if costs are allocated on the basis of total weights, at the same time that "cost" would be lower than "market" for both of the products if costs were allocated on the basis of total market prices. The opposite situation would hardly occur. Thus, assuming the use of cost or market price whichever is lower, in periods of declining prices the closing inventory figure might be lower, and therefore the cost of goods sold figure might be higher, if total weights are used for allocating joint costs than would be the case if total market prices are used.

This higher cost of goods sold figure would reinforce the tendency for net income to be lower when prices are falling, thus increasing the fluctuation in net income.

Thus, judging from this consideration alone, the allocation of joint costs on the basis of total market prices would be expected to produce somewhat more stable net income figures than would the allocation of joint costs on the basis of total weights. This would apply in case the prices of both products declined together, but would not necessarily apply in case of the decline in the price of only one of the products.

However, even if there is no change in prices, a different net income figure might be obtained depending upon which method of cost allocation is used, as a result of variations in the relative sales of the two products. Considering only this factor, and ignoring the influence of price changes, the following conclusions would, I believe, be correct:

(1) If, proportionately to the amount produced, the same quantity of the two products are sold in each period, i.e., if there is no variation in the relative sales of the two products, it will be a matter of indifference which method is used.

(2) If the total selling prices of the quantities produced of the two products are the same, but if the total weights are different, and if there is variation in relative sales from period to period, a more stable gross profit on sales figure, and therefore probably a more stable net income figure, will result if total market prices rather than total weights are used.

For example, if production of the two products remains constant for two consecutive periods, and if total sales remain the same, but if relatively more of the product with the greater weight is sold during the second period than during the first period, the gross revenue would remain unchanged, but if joint costs were apportioned on the basis of total weights, the cost of goods sold would be greater for the second year than for the first. Thus, gross profit on sales, and presumably net income, would fluctuate. However, if joint costs were allocated on the basis of market prices, cost of goods sold would not fluctuate. Consequently, gross profit on sales, and presumably net income, would not fluctuate.

(3) If the total market prices of the quantities produced of the two products are different and if there is variation in relative sales from period to period, more stable figures for gross profit on sales, and, thus, probably more stable figures for net income, would result from the use of total market prices, under the following conditions:

(a) If the total weights of the two products are the same: In this case, gross revenue would tend to increase if sales of the higher priced product increase relatively to sales of the lower priced product. However, if total weights are used as a basis for allocating costs, the cost of goods sold figure would tend not to increase, whereas if market prices are used as a basis for allocating costs, the cost of goods sold would also tend to increase, in part, offsetting the effect on net income of the increase in gross revenue.

(b) If the total weights of the two products are different, the product with the higher total market price being the product with the lower total weight: In this case, gross revenue would increase as a result of relatively greater sales of the higher priced product. The cost of goods sold figure would, however, actually decline if costs are allocated on the basis of total weights, thus reinforcing the tendency for net income to fluctuate.

(c) If the total weights of the two products are different, and if the product with the higher total market price is also the product with the higher total weight, but however, if the ratio of total prices is greater than the ratio of total weights: In this case, the effect on net income of the increase in gross revenue as a result of relatively greater sales of the higher priced product would be partially offset by a higher cost of goods sold figure if either method is used, but the offset would be stronger if costs are allocated on the basis of total market prices.

On the other hand, the use of total weights as a basis will result in a more stable gross profit on sales, and thus, probably in a more stable net income, if the total weights are different and if the ratio of the total prices is less than the ratio of the total weights. However, if selling expenses are proportional to weight rather than to selling price, and if they constitute a large proportion of total expenses, this might not hold true as regards net income.

Also, if the gross margin of the products taken together is small in relation to the difference between the ratios of the weights and the ratios of the selling prices, this might not hold true for either gross profit on sales or net income.

Of course, the situations here described are quite simple. The greater the number of joint products the greater would be the difficulty in judging which method would result in a more stable net income figure. It is probably true, however, that generally the use of total market prices as a basis of allocation would result in a more stable net income figure than would the use of total weights.

Regarding inventories in the balance sheet, the use of the total market price basis will result in higher figures if the gross margin on the products taken together is small in relation to the difference between the ratio of the market prices and the ratio of the weights.

There is one other purpose that the allocation of joint costs to the various joint products may serve, in addition to establishing a "cost" figure for inventory valuation. The resulting average total unit cost figures may be compared from period to period as a test relative operating efficiency. If this is to be a purpose of the allocation, some quantity basis, such as relative weight or relative volume should be used, rather than relative market price. To quote again from Dr. Charles Reitell:

"The use of market prices in distributing joint-costs sometimes produces unsatisfactory results. If prices of some of the joint products fluctuate sharply over short periods, the costs found for all the joint products will likewise fluctuate without good reason, and be of little utility as indicators of manufacturing efficiency . . ."

However, the allocation of the joint costs in the ratio of past average market prices would not be objectionable from this standpoint.

It should be understood that the cost figures obtained could be used in comparisons of results of the same department from period

⁷ Reitell and Johnson—op. cit. 256.

to period, provided that technical methods are not changed from period to period, but could not be used for purposes of comparisons between departments. The figures might be used in comparisons between different firms if the various firms use the same technical methods and the same basis for allocation of the joint costs.

In any event, there is nothing to prevent inventory costs being computed on one basis, and figures for operating efficiency tests being computed on another basis.

Can Economic Planning Prevent a Post-War Depression

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"Beyond the problem of today—which is maximum production of defense material—looms tomorrow's problem: the shift to production for normal life." Beulah Amidon, *Survey Graphic*, Nov., 1941.

Sincere liberals look forward to the future with a great deal of uncertainty and pessimism. Every bomb which falls during this war destroys not only some of our material civilization; it is a constant and forceful reminder of the inadequacies of a way of life which has finally led to such atrocities. It took more than an economic depression—a great industrial system lying idle—to display vividly before our eyes the shortcomings of our institutional arrangements. But material necessity visibly enforced by the death penalty of war is causing new ideas and new forms of conduct to take effect less tardily and less reluctantly than would otherwise be the case. We are face to face with the fact that insofar as we fail to learn how to use our resources of men and material for peace and prosperity, forces will be set in motion which must result in an explosion. We are going to prove during this struggle, however, that we know how to husband our resources for war with a minimum of dictatorial control. Clearly, we hope that such is the case. We must now learn how to use these same resources in the interest of peace and human welfare. Stated simply, the immediate problem is: How can we shift from the production of goods needed in the emergency to the production of goods needed in peace without mass unemployment? Then: How can complete employment be maintained?

The country will perhaps continue for sometime after the war is over the same rate of naval, shipping, and aircraft construction. But much wartime production will cease when hostilities cease. With that hour will come the problem of resuming full peacetime production and full peacetime employment. The transfer will obviously require the use of some long term capital financing agency of government such as, for example, the Defense Plants

Corporation, to expedite and to facilitate the conversion of war plant to the production of consumers goods. Moreover, the transfer will require large consumer buying power to maintain full production and full employment. Can we do these things and at the same time retain our liberal institutions? No one can answer this crucial question with certainty. But the manner in which we attack the problem of all out production for war will determine to a considerable degree the ease with which the problem of all out production for peace can be solved.

After the War of 1914 to 1918, emergency controls of the various aspects of economic organization were rapidly and in most cases completely abandoned. In the present conflict, however, economic mobilization has gone further and will take a different shape from that taken in the last conflict. Government intervention has already penetrated much more deeply into economic activity. As a matter of fact, the organization of production and finance has become an integral part of the machinery of government. In 1917, plant expansion was financed with private funds. During this war, however, almost all plant expansion has been financed with public funds. Not only have our private corporations refused to borrow from banks to finance the expansion of plant, they have, moreover, refused to borrow from the R.F.C. at the low rate of $1\frac{1}{2}$ per cent interest. In addition, provision was made by Congress to amortize the cost of new plant over a period of five years. Congress went so far as to make defense contracts assignable as collateral for loans. The difficulty, as a matter of fact, went too deep to be solved by either liberal amortization terms or low interest rates. Private business hesitated "ie" refused to invest in new plant, not because of financial difficulties or unfavorable interest rates, but because of the fear of the post-war effects of this expansion on the value of already existing plant capacity. The problem, as we all know, was eventually solved in June, 1940 by the organization of the Defense Plants Corporation, a subsidiary of the R.F.C. The D.P.C. advances to private corporations the funds necessary for plant expansion; the plant thus built is the property of the D.P.C. and is leased by the D.P.C. to private industry, which generally has the option to buy it when the war is over if it seems profitable to do so. Thus the government attempts

to assume all of the business risks involved in plant expansion. Under the assumption that capacity must be expanded in order to win the war, is it possible to imagine any other policy designed to aid more our large corporations? Yet, apparently, a large section of the press is determined to prove that it is perhaps impossible to win the war unless the government stops pampering labor and suspends for the duration such "super luxuries" as the hours and wages act! All of this clearly on the assumption that if labor, and especially unorganized low wage labor, will make sufficient sacrifices, it will be unnecessary for the well-to-do to make any. When the lower house of Congress defeated a proposal for such suspension by a vote of 226 to 62, it was accused of playing politics. We all remember the "spontaneous" but well organized mass meetings which took place in this section of the country during the latter half of the month of March, 1942. Evidences of stupidity, bigotry and intolerance, then exhibited, not to mention unenlightened self-interest, are indeed disheartening. Such organized propaganda, if heeded, will go a long way towards causing us to lose, if not the war, at least the peace that comes after it.

Even in the armed peace before hostilities began it was becoming increasingly necessary to ask whether finance capitalism was compatible with the organization of economic prosperity and peace, and whether it could function effectively in the modern world. Since we entered the war these questions have become insistent and urgent. Let us hope that these issues will be actively canvassed and become the leading questions to be decided after the war is over. Is it possible that the world has outgrown its traditional forms of economic and political organization and that the present anarchy results from the need of new forms of economic and political institutions in the world? A policy that restrains modern man from using the technological and scientific knowledge he has acquired, that restrains him from using resources in ways to maintain and improve his standard of life builds up pressures for an explosion. Under such a state of affairs can there be any question of the speedy relinquishment of these government financial controls when the war is over?

At this point it is convenient to indicate that no attempt is made in this paper to outline or suggest the precise form of planning

that will emerge or should emerge after the war, but to indicate the extent to which the current run of facts and fancy might be used to answer this question. Can planning present a post-war economic depression?

Some contend that economic planning is a word which carries with it a background of emotional approval. It suggests, they say, forethought and rational control of complicated economic processes. It suggests, that is to say, that as a result of thinking things through man can substitute order for confusion and chaos. For this reason, it is further contended, the use of such a word may be dangerous in that its use may prejudice the issues of debate in favor of the affirmative. Therefore, it is, indeed, urgently necessary to project paper schemes for economic reorganization so that every possible alternative and variety of proposal may be examined in all their detail. Moreover, economic and political inventions should be encouraged and taken seriously. It should never be forgotten that some of the most far-reaching inventions in economics as well as in other fields have been developed by men who were for long derided as cranks and crackpots. This is, perhaps, the only way in which unrealistic practical experiments may be avoided.

Yet it must be admitted that most of the changes in economic organizations which are taking place at the present time are growing, not out of speculative idealism, but instead out of economic and military pressures. Modern warfare, demanding as it does immense and rapid mobilization of resources, makes changes so far reaching that only the government can be responsible for them. It would be a mistake, however, to attribute all the changes which are now taking place to the exigencies of the war. It has only accelerated movements that were already taking place before it began. A great upheaval such as this war may, however, loosen the grip of traditional concepts and types of organization. In such circumstance man may be readier to accept new ideas; but this fact offers constructive possibilities for the future only in case those who grasp the need for economic reconstruction in the interest of the general welfare, rather than in the interests of special groups, are prepared to seize such possibilities. Careful work must be done here. People cannot be sustained forever with platitudes.

Let us bear in mind, moreover, that if we win the war, the United States must be the chief source of planning. The vision of Europe will surely be distorted by ruined buildings and cities. Let us not allow peace to break out and find us unprepared.

The necessities and disillusionments that will inevitably follow this war as previously indicated, may be powerful factors of constructive cooperation; but only in case they are used in that direction. Economic plans of themselves will not ensure peace and economic wellbeing, for the obvious reason that they do not work automatically but are worked by men. No plan will solve all our problems. It is impossible for any government to promulgate and adhere to any specific plan which is the result of a rational appraisal of all the factors involved. But, and this is important, whether the plan which we decide to use is to achieve its intended purpose depends on whether or not we understand at the present time what is primary and indispensable and what is secondary and optional. Let us have a plan, but one which is capable of adjustment to changed circumstances largely beyond our control. Policy must be, in some degree at least, improvised and pragmatic.

Although the public is becoming increasingly aware of the fundamental problem, a great deal is being done to confuse and mystify the issues at stake. This is to be expected as long as we have powerful economic groups who believe that they stand to gain by making the new world after the war in the image of the old. Many a liberal in this section of the country, for example, is acutely aware of the fact that the exigencies of the present struggle make it possible for "jingoism to do under war-time flag-waving patriotism" what they always wanted to do in peace time: Harness labor and harass liberals. These liberals though numerous are neither vocal nor organized. Neither labor leaders nor capitalists take very seriously the advice of sincere liberals. Both are so largely reactionary as to be interested primarily in taking advantage of any situation in the interest of immediate gain: To use Veblen's expression: Charging what the traffic will bear at any cost to the underlying population. Nevertheless, there is, perhaps, always a subordination of private to public interest during times of war which does not exist during times of peace. The acceptance of state regulation after the war may be greatly

facilitated by this fact. Some contend, however, that the efficiency of economic organization during war is due primarily to the fact that the purpose of such organization are simpler and easier to achieve than the conflicting purposes of an economy aimed at maximizing the economic welfare of a great community. It is to be doubted very seriously, that this is true. A modern army needs almost as great a variety of production for its maintenance as do the masses of people in a peace-time economy. Planning to use our resources in such a manner as to be able to crush two great empires is surely not a lesser task than planning to use our resources to eliminate poverty—given an abundance of resources in both cases. The difference is that there is a *unity of purpose* in wartime which does not exist in peacetime. This greater unity of purpose exists, however, solely because we believe that it is *important* to win the war. If we ever once recognize that it is just as important to make an economic system work in the interest of peace and security—that is affording the people a minimum of food, clothing, shelter, education, medical attention and recreation as it is to win a war—then we can eliminate poverty with much less government control of economic activity than that which is exercised in winning a war. In fact, an increasingly large number of economists, even some with conservative leanings, are coming to believe that it can be achieved without the elimination of our essentially important liberal institutions.

The establishment of "decent minima" of subsistence and some relief of distress and misfortune have come to be accepted by most as valid objects of legislation. Community action to provide a greater degree of equality of opportunity by the expenditure of funds derived from taxation to furnish education, health, and recreational facilities for the community as a whole is broadly accepted as a legitimate function of government in most countries. There is, in addition, a range of public services, particularly those into which there enters an element of "natural" monopoly, which are recognized as being best operated by some form of government enterprise. None of these broad categories of government intervention in economic activity has proved as nearly incompatible with the mechanism of the market as has the mobilization of our human and material resources for war. Moreover, none has resulted in

what might be characterized as the interventionist chaos of today. That is to say, nothing which has been done to protect the interests of our people primarily as consumers has cluttered up our economic system with restrictive schemes which result in a sabotage of our industrial system. There seems to be no reason why extension of protection cannot be envisioned over wider areas. It may be discerned in greater government control over credit and banking through the R.F.C. Act as it has been amended since the outbreak of war in Europe. Moreover, control over the credit mechanism is easy to acquire. Coinage is a prerogative of government. In an age when credit is more important than money is there any reason to doubt that its control must pass from the hands of private business interests to those of government? Central banking, as a matter of fact, is perhaps the most important of all public services which are monopolistic in character and therefore destined for public control and operation in the interest, not of sabotaging industrial efficiency, but of facilitating trade and securing complete utilization of our resources. The government need not use control of credit as a means of reorganization of production except insofar as it is necessary to secure the shift from the production of war material back to the production of consumers goods'. This is a device which the government can use to regulate the amount of market activity thus eliminating the necessity for making an attempt to plan a greatly increasing number of particular industries or to operate the entire economy from the center. Moreover, this instrument can be used in such a way, as not to interfere with the possibility of international economic cooperation in the future. This point will be discussed later.

When hostilities cease, urgent problems of demobilization and the desire on the part of some for "economy" in government will again rise the issue between the use of government expenditures or "investment" "ie" government financial policy designed to support purchasing power on the one hand and those which are conceived in more orthodox terms of balancing the budget, restraining inflationary tendencies and avoiding bankruptcy on the other. It is becoming increasingly obvious, however, that the only way to avoid economic collapse when war discipline is relaxed will be by prompt and enormous government programs of reemployment. But

the recession of 1938 indicated that the temper of American public opinion was not of a nature to require the American government to maintain the money expenditure of the community at a level sufficiently high to employ all the labor willing to work. It is worth mentioning, however, that the finance of defense in 1941 demonstrated quite clearly the effect of large government expenditures on the volume of economic activity, employment, and the national dividend. It indicated that as long as the government or some government agency is prepared to supplement private expenditures sufficiently, the total can always be sustained at such a level that complete employment of our labor and capital resources can be maintained. This can be done without setting up an authoritarian regime. It is surely obvious, from the experience of the war, that such a system can be used to prevent depression and remove the major cause of unemployment. And unemployment—an industrial system standing idle—is the fundamental economic problem. Its solution is primary and urgent. Everything else is secondary and optional in comparison. In fact, the most distressing economic fact of recent years has been the persistence of economic activity have been violent and unpredictable. Capital has been afraid to venture upon long term undertakings; it has restricted output to protect the value of already existing equipment; and has sought safety in liquidity even in war. All of this has been accompanied by unparalleled unemployment and want in the midst of potential plenty. Moreover, it should be mentioned at this point, that in many cases these restrictive schemes have been given government sanction. Many combinations, it must not be forgotten, have been formed not because of inherent necessities of production, nor even for reason of technical convenience. They were formed not to secure economies of large scale production, but to influence the market. Moreover, many of these organizations have received statutory authorization through patent law and the Webb-Pomerene Act. A program of government finance aimed at creating full employment accompanied by some change in patent law, reduction of tariff, and repeal of the Webb-Pomerene Act would perhaps eliminate the necessity of planning economic organization in its entirety from the center by the government. Such a policy combined with an attempt to formulate a tax policy the

effect of which would be to decrease inequality in the distribution of income is not incompatible with essential liberal institutions. It may make it possible for us to maintain for a time at least the mechanism of the free market.

Moreover, such planning, as previously indicated, will not interfere with the possibility of international economic cooperation. As J. M. Keynes has said: "If nations can learn to provide themselves with full employment, there need be no important economic forces calculated to set the interest of one country against that of its neighbors. There would no longer be the pressing necessity for one country to force its wares on another not so that it could pay for what it bought but in the interest of upsetting the international apple cart for its own advantage. We can use the international exchange of goods for mutual advantage instead of as a means of forcing foreigners to take our goods in order to keep our industries operating at capacity."¹

Such a policy is relatively simple in that it does not abolish the mechanism of the market and it will, in addition, "help to increase the demand of the nation which practices it not only for home produced goods but also for foreign produced imports. If the generality of nations adopt such policies of internal expansion each individual nation will discover that its external markets are expanding as quickly as its own demand for imports."² The moral may, therefore, be drawn that the adoption of such a policy to meet trade depressions is, and I quote again, "one of the chief economic bases of a durable peace."

¹ J. M. Keynes, *The General Theory of Employment, Interest and Money*, 382.

² J. E. Meade, *The Economic Basis of a Durable Peace*, 17.

The Genesis of the War in the Pacific Area

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The cause of the war in the Pacific Area was not Japan's "sneak attack" on Pearl Harbor and the other attacks that Japan had underway before it declared war on the United States and Britain. These were merely the opening scenes of a war whose roots are deeply imbedded in the history of the last half-century. For a moment let us go back to the Anglo-Chinese treaty of Nanking, 1842, closing the so-called Opium War, to get our bearings, and then concentrate our attention on the accumulative causes of American-Japanese friction from the Russo-Japanese war down to the outbreak of hostilities last December.

The treaty of Nanking, 1842, provided for the opening of five Chinese ports to commercial intercourse with the British.¹ It also stipulated a five-per cent ad valorem duty on both imports and exports and ceded the island of Hongkong to England. Shortly after this treaty was concluded Commodore Kearney, who commanded a small squadron of American war vessels in Far Eastern waters, served notice on the Chinese authorities that the United State would expect for its nationals access to the open ports on terms as favorable as those granted to the British and suggested that the Imperial Government of China declare the ports open to the trade of all nations on equal terms.² This was done in the treaty of The Bogue the following years, although it may not have been in response to Commodore Kearney's suggestion. Be that as it may, the principle which was to become known a half-century later as the "Open Door" was first proclaimed by China in 1843 when England's pre-eminence in the foreign trade of China was not likely to be challenged by any country except the United States; hence, the United States certainly was not concerned with "pulling England's chestnuts out of the fire."

In the Sino-American treaty of Wanghia, 1844, the United States

¹ H. B. Morse and H. F. MacNair, *Far Eastern International Relations*, 127.

² For somewhat varying Chinese and American accounts, see articles in *Chinese Social and Political Science Review*, XV, 424-444, and XVI, 75-109.

secured extraterritorial rights and a most-favored-nation status, but, consistent with the "Open Door" principle, it did not demand for itself any concessions of an exclusive character.³ Although the United States played the leading rôle in the opening of Japan to commercial and diplomatic relations with Western nations, it sought neither to acquire territory nor to secure monopolistic concessions for itself. In the 1860's the United States merged its embryonic "concession area" with the adjacent British Concession to form the original Shanghai International Settlement,⁴ and thereafter claimed for its nationals the right to reside in the "concession areas" of other powers secure in their extraterritorial rights and other treaty rights. In essence, if not in name, the corner stone of the Far Eastern policy of the United States was the "Open Door;" and this century-old policy was not inconsistent with the Monroe Doctrine, which did not deny to non-American nations access to the markets of Latin America on equal terms with the United States.

During the period of the War between the States and thereafter until the 1890's American interest in the markets of the Far East was comparatively negligible. American energy and capital were occupied with the building of great railway systems and the development of large-scale industrial enterprises. In 1898, when as a consequence of the war with Spain the United States acquired the Philippines and thus became a Far Eastern power with stepping stones at intervals across the Pacific Ocean, there was available for overseas markets a surplus of American manufactures and there was in prospect the availability of American capital for investment abroad. The potentialities of the Chinese market were alluring to both President McKinley and Secretary Hay and undoubtedly influenced their attitude towards the acquisition of the Philippines.⁵

When Secretary Hay took stock of the situation in China after the Spanish-American War, he found that the great powers had partitioned China into vast spheres of influence, which in most

³ Tyler Dennett, *Americans in Eastern Asia*, 100ff.

⁴ O. M. Green, "The Japanese and Shanghai," *Asiatic Review*, New Series, XXII, No. 109, 92-93.

⁵ Address of John Hay to New York Chamber of Commerce, November 19, 1901, quoted by *New York Times*, November 20, 1901; Bemis, *A Diplomatic History of the United States*, 471 and 483.

cases had been re-inforced by long-term leaseholds involving strategically or commercially important ports and coastal areas.⁶ The "carving of the Chinese melon," in prospect since China's humiliating defeat at the hands of Japan in 1894-'95, now seemed about to get under way.⁷ If this should occur, the United States obviously would be at a disadvantage with respect to the Chinese market, hence, it was to arrest the partitioning of China and to safeguard American trade with China against ruinous discrimination that Hay inaugurated his "Open Door" correspondence with the great powers in 1899. As we have seen, however, this was not the beginning of the "Open Door" policy, but rather a move by Secretary Hay to induce the great powers to commit themselves to a principle that was first proclaimed in 1843 and consistently observed thereafter by the United States. Most assuredly Hay was glad to have the "go ahead" signal from Britain and Japan, but this is not substantial ground for assuming that Hay acted as a special favor to England rather than in the interest of his own country.⁸ This, like the seemingly prevailing impression that the "Open Door" policy of the United States had its inception in 1899, is due probably to a lack of information rather than to willful misrepresentation.

Doctor S. F. Bemis, who is undoubtedly an outstanding authority in the field of American diplomatic history, says that the acquisition of the Philippines was "the greatest blunder of American diplomacy," and that the "second great blunder in the East was the pronouncement, after British prompting, of the Open Door Doctrine."⁹ Here Doctor Bemis, who merits high esteem for his scholarship, seems to have over-emphasized the fact that Britain encouraged the championship of the "Open Door Doctrine" by the United States and to have minimized the importance of the fact, which he admits, that "the paramount motive for acquiring" the Philippines was "the trade of the East," and that "Should China

⁶ Russia, Germany, Britain, and France had such leaseholds (See Paul H. Clyde, *A History of the Modern and Contemporary Far East*, Chapter XVII).

⁷ Harold M. Vinacke, *A History of the Far East in Modern Times*, Chapter VII.

⁸ Probably Hay was influenced most by the advice of W. W. Rockhill, an American diplomatist of wide experience (Treat, *Japan and the United States*, Chapter IX).

⁹ S. F. Bemis, *A Diplomatic History of the United States*, 482.

be partitioned, . . . that prospect of commerce would vanish behind the restrictions of the partitioners."¹⁰ If China had been partitioned, presumably Britain would have gotten the richest portion of the Empire, whereas the United States, having no sphere of influence, would have been left "holding the bag"—an empty bag at that. Since this came at a time when Britain obviously was bidding for American friendship because of the disturbing potentialities of European politics, and since the United States had consistently pursued the "Open Door" policy with respect to eastern Asia, there would be ground for assuming that Britain's endorsement of the "Open Door" principle in 1899 was in part at least intended as a favor to the United States.

Isolationists may conjecture that the United States would have been uninvolved in the war in the Pacific Area if it had not acquired the Philippines and had not re-committed itself to the sponsorship of the "Open Door" principle. Even if so, there is no ground for assuming that the imperialistic powers would have left the United States undisturbed in its isolation all these years. Just as China, Japan, and Korea were forced to abandon their isolation, so might imperialistic intrusion upon the American continent, if not actually upon the national domain of the United States, have forced this country to fight in defense of its isolation. There is something to be said in favor of fighting to hold outposts, if a nation must fight at all, rather than fighting to expel the enemy from the homeland proper.

The possession of the Philippines and the leadership of the United States in the re-establishment of the "Open Door" principle with respect to China, whether wise or not, are facts of much significance in the twentieth-century relations of the United States with the Far East. And, whether wise or not, the "Open Door" policy of the United States was not open to condemnation on either legal or moral grounds. Moreover, the wisdom of the policy was not likely to be seriously questioned as long as diplomacy should be an adequate safeguard. There might, however, arise a situation in which the United States would either incur the embarrassment and the inconvenience of relinquishing this policy or the necessity of defending it with armed forces. We have no way of ascertain-

¹⁰ *Ibid.*, 483.

ing what consideration the American Government gave to such an eventuality in 1899.

Incidental to the "Boxer Settlement" in 1901, partly at least through the influence of Secretary Hay, the preservation of the territorial integrity of China became associated with the "Open Door" principle in such a way as to be virtually a corollary of it thereafter.¹¹ At that time Russia loomed as the greatest threat to the territorial integrity of China and, thereby, as the power most likely to disregard the principle of equal opportunity for the trade of all nations. Continued Russian occupation of Manchuria and alleged Russian designs upon Korea led to the Anglo-Japanese alliance of 1902 and thence to the Russo-Japanese War of 1904-'05.¹²

During the half-century that had passed since Commodore Perry pierced the barriers of Japanese isolation in 1854, Japan had regarded the United States as its best friend among the nations of the world.¹³ At the end of the nineteenth century, in a colorful celebration of the emergence of Japan as a great power, Japanese leaders eloquently voiced appreciation of the rôle that the United States had played in its relations with Japan.¹⁴ Only once, in the Strait of Shimonoseki, had American and Japanese arms clashed; and the major portion of the indemnity which Japan had been required to pay for that incident was by Congressional action returned to Japan.¹⁵ Japan protested but mildly against the annexation of the Hawaiian Islands by the United States, and withdrew its protest when assured that the rights of Japanese nationals in Hawaii would remain unimpaired.¹⁶ This commitment was responsible fundamentally for the presence of large numbers of Japanese in Hawaii at the outbreak of the present war; but in 1898 it seemed only a matter of fairness to Japan and Japan appreciated it as a token of good will, prompted by friendship rather than by fear or threat of retaliation.

¹¹ *Foreign Relations*, 1900, pp. 299, 307, 353, 373, 379, *et passim*; Bau, *The Open Door Doctrine*, 28-34; Reinsch, *World Politics*, 325.

¹² Perhaps the best survey of these developments is A. L. P. Dennis, *The Anglo-Japanese Alliance*.

¹³ *House Documents*, 57 Cong., 1 sess., 1901-1902, Vol. I, 378-383.

¹⁴ The occasion was the unveiling of the Perry monument (See *Japan Times*, July 16 and 17, 1901).

¹⁵ *Senate Document No. 231*, Part I, Vol. I, 56th Cong., 2nd Sess., surveys the history of this indemnity.

¹⁶ C. P. Howland, *Survey of American Foreign Relations*, 1930, p. 301.

Japan went to war with Russia in 1904 as the avowed champion of the "Open Door."¹⁷ American sympathy was overwhelmingly on the side of Japan, and the attitude of the American Government might well be described as benevolent neutrality towards Japan. Theodore Roosevelt made this clear in warning France and Germany that, if either of them should intervene in behalf of Russia, he would lead the United States into the war on the side of Japan.¹⁸ Moreover, when Roosevelt came forward with peace overtures in 1905, it was at the behest of Japan who had given him the "right-of-way" signal when the proper moment was thought to have arrived.¹⁹

Incidental to the Portsmouth Peace Conference the United States and Japan came to the dividing of the way. The Japanese people had been told that Russia would be made to bear the expense of the war, and for Japan's failure to secure an indemnity the people were encouraged by their government to believe that Roosevelt was to blame; however, the facts do not support such a conclusion.²⁰ The Portsmouth treaty provided for the transfer of Russia's Kwantung (Port Arthur) leasehold and the South Manchurian Railway to Japan, thereby making southern Manchuria a Japanese sphere of influence and Japan ostensibly the steward of the "Open Door" in that part of China—a trust which Japan began at once to betray or to exploit in its own interest. Other causes of misunderstanding and friction arose about this same time. Agitation for the exclusion of Japanese laborers gained momentum on the Pacific Coast until President Roosevelt and Secretary Root concluded the "Gentlemen's Agreement" with Japan.²¹ At this time also began American-Japanese naval rivalry, precipitated by Roosevelt's recommending the construction of additional war ves-

¹⁷ See "Preamble" of the Anglo-Japanese Alliance in Dennis, *op. cit.*, 99, or MacMurray, *Treaties and Agreements with and Concerning China, 1894-1919*, I, 324.

¹⁸ Tyler Dennett, *Roosevelt and the Russo-Japanese War*, 27-30; Bishop, *Theodore Roosevelt and His Time*, 1, 480.

¹⁹ Dennett, *op. cit.*, 285.

²⁰ Dennett, *op. cit.*, 279-280. For Japanese account, see chapter by Toyokichi Iyenaga in Blakeslee (ed.), *Japan and Japanese-American Relations*, 251-252.

²¹ Thomas A. Bailey, *Theodore Roosevelt and the American-Japanese Crisis*, Chap. I; *Treaty, Japan and the United States*, Chap. XIII. An interesting Japanese version is found in the *Japan Weekly Mail*, October 27, 1906, p. 542, showing something of Japanese feeling before the agreement was concluded.

sels for duty in the Pacific Area.²² From the Japanese standpoint this recommendation was prompted by the impressive display of Japanese sea-power in the course of the Russo-Japanese War. Incidental to this war, also, Korea, whose independence Japan had forced China to concede in 1895, became a Japanese protectorate. Thus, in the first decade of the present century, more precisely between 1905 and 1908, appeared all the important issues that were destined to involve the United States and Japan in the present conflict: misunderstanding and mutual suspicion, the immigration problem and racial antipathy, the question of naval supremacy in the Pacific Area, the Japanese threat to the "Open Door," the menace of Japanese territorial aggression, and forebodings of power politics.

The interrelationship of these issues is such as to suggest the feasibility of concurrent chronological treatment; however, it may simplify our task somewhat if we first deal briefly with the questions of immigration and naval rivalry and then keep these in mind while we follow the others concurrently. This plan of attack, however, does not imply that any one of these issues admits of complete segregation.

The "Gentlemen's Agreement" of 1907-'08, by which Japan undertook to simplify the problem of Japanese immigration for the United States through withholding passports from Japanese laborers who wished to come to this country, worked fairly satisfactorily for a few years; but by 1913 California had become alarmed by the extent of the leasing of agricultural lands to Japanese and undertook to solve the problem by means of what is usually termed the Alien Land Law.²³ Apparently the exigencies of the demands upon agriculture during the latter part of the last World War were conducive to the lax enforcement of this law, and after the war a more stringent alien land law was enacted in California.²⁴ Although there were allegations to the effect that this law was inconsistent with the treaty obligations of the United States, its constitutionality was upheld by State courts²⁵ and the

²² H. A. Gibbons, *Introduction to World Politics*, 336.

²³ A. W. Griswold, *The Far Eastern Policy of the United States*, 354-364; Y. Ichihashi, *Japanese in the United States*, 244ff; *Foreign Relations*, 1913, p. 631ff; *ibid.*, 1914, p. 426.

²⁴ Payson J. Treat, *The Far East*, 529.

²⁵ *Idem* 529.

decision was sustained by the Supreme Court of the United States.²⁶ All along the Pacific Coast there was increased agitation for the exclusion of Japanese immigrant laborers. The clamor spread eastward and by 1921 it had reached such proportions that Congress could no longer ignore it; at this time, however, the situation was such that Congress could refrain from offending Japan unnecessarily and the "Gentlemen's Agreement" was left at least nominally in effect.²⁷ In 1924, in connection with the Quota Act of that year, the question of Japanese immigration again came to the fore. Both President Coolidge and Secretary Hughes endeavored to discourage the passage of a Japanese exclusion law, not without some hope of success until the Japanese ambassador made a statement which was construed as a threat intended to intimidate Congress. The result was quite the opposite; by an overwhelming majority Congress passed the law which was designed especially to exclude Japanese immigrant laborers from the United States.²⁸ In Japan there was widespread popular indignation, accompanied by demands for vigorous protests and even by some demands for war with the United States. Until recently the judgment of historians was almost unanimously to the effect that a proud people had been offended unnecessarily and in a manner that could not be forgotten or forgiven;²⁹ but, granted that other issues would have led to war with Japan, it might now be regarded as a god-send that there are not more thousands of potential fifth-columnists in the United States.

American-Japanese naval rivalry did not assume a serious character prior to the Paris Peace Conference, perhaps because the accumulating causes of friction had not produced a moment when war between the United States and Japan seemed imminent or inevitable. President Wilson's diplomatic tilt with the Japanese delegation at Versailles over the transfer of Germany's pre-War stake in Shantung to Japan and the status of Germany's former insular possessions north of the equator in the Pacific, particularly the status of Yap, raised the specter of an American-Japanese

²⁶ Griswold, *op. cit.*, 369.

²⁷ The diplomatic correspondence pertaining to this question may be found in *Foreign Relations*, 1921, Vol. II.

²⁸ Griswold, *op. cit.*, 370-375.

²⁹ Interesting is the observation of Bernard Fay, "Question d'Orient, Question Mondiale," *Revue des Deux Mondes*, 15 mai, 1936, p. 294.

conflict whose outcome would hinge upon naval supremacy in the Pacific. This was a major reason for the calling of the Washington Conference, which produced the Five Power Naval Treaty of 1922 providing for the limitation of British, American, and Japanese capital ship tonnage on a 5:5:3 ration.³⁰ Here also the Anglo-Japanese Alliance was allowed to expire and its place was taken by the Four Power Pacific Treaty, which was designed to preserve the *status quo* as pertaining to the possessions of the four contracting parties in the Pacific Area.³¹ The Washington naval treaty, however, placed no limitation on light-cruiser tonnage, destroyers, submarines, and other auxiliary vessels; hence the Geneva Naval Conference was called in 1927. This conference was not attended by France and Italy, and, although Japan was prepared to demand a 10:7 ratio in hitherto unlimited categories, the issue was not raised and this conference failed because of Anglo-American wrangling over the allowance of cruiser tonnage in the different categories.³² At the London Naval Conference in 1930 Japan contended for a 10:7 ratio in all categories of war vessels; but the treaty continued the 5:5:3 ration of capital-ship tonnage, while allotting to Japan a 10:7 ratio of light cruisers and destroyers and parity in submarines.³³ The course of events in the Far East and the tremendous upsurge of Japanese nationalism militated against the renewal or extension of these treaties on terms that would be acceptable to all parties. Japan demanded parity in all categories and, for reasons that are sufficiently obvious to students of world politics, the United States and Britain would not concede Japan's right to parity.³⁴ Thus ended the hope of restraining competitive expansion of naval armaments by peaceful negotiation and multi-national treaties. Naval rivalries were resumed on a grander scale than previous to the Washington Naval

³⁰ *Foreign Relations*, 1922, I, 247-267. A number of good secondary accounts are available, such as Buell, *The Washington Conference*, and Ichihashi, *The Washington Conference and After*.

³¹ *Foreign Relations*, 1922, I, 3-45; Dennis, *The Anglo-Japanese Alliance*, 105-108.

³² *Senate Document No. 55*, 70 Cong., 1 sess., 69f; Howland, *Survey of American Foreign Relations*, 1928, 547ff.

³³ W. H. Shephardson and W. O. Scroggs, *The United States in World Affairs*, 1934-1935, p. 18.

³⁴ Shephardson and Scroggs, *op. cit.*, 179-182; Allan Nevins, "The Naval Conference Fails," *Current History*, March, 1936, 614-16.

Conference and may be assumed to have been a very potent factor in Japan's decision to attack Pearl Harbor and Singapore.

The most persistent cause of American-Japanese friction since 1905 has been Japan's disposition to evade or violate the "Open Door" principle and to manifest too little regard for the sovereignty and territorial integrity of China. In this period of less than forty years traditional American-Japanese friendship yielded first to mutual suspicion and distrust, accompanied by minor economic rivalries. By degrees these rivalries have evolved into a potentially castastrophic episode of power politics.

Let us return to the situation in Manchuria at the end of the Russo-Japanese War and sketch the course of American-Japanese relations pertaining to American treaty rights and Japanese aggression. At the beginning of this war the United States had first place in the foreign trade of Manchuria and had been particularly successful in its bid for the Manchurian market for cotton textiles and kerosene. Control of the South Manchurian Railway after the war afforded Japan, the new custodian of the "Open Door" in southern Manchuria, an affective means of discriminating against the trade of other nations and exploiting the Manchurian market to Japan's fullest advantage. American goods were allowed to accumulate at Dalny while competing Japanese goods were shipped to their destination; later, following the conclusion of the treaty of Portsmouth, rebates were granted to Japanese shippers;³⁶ and finally the Japanese Government adopted the policy of subsidizing the Japanese firms which competed with foreign firms for Manchurian markets. Against all of these forms of discrimination the Government of the United States protested from time to time. The outcome was the Root-Takahira Agreement of 1908, through which the United States and Japan reaffirmed their adherence to the "Open Door" principle and reciprocally pledged consultation in the eventuality of a threat to the *status quo* in Manchuria.³⁷ Meanwhile Japan had blocked all of Harriman's efforts to secure control of railroad facilities across Manchuria to

³⁶ S. K. Hornbeck, *Contemporary Politics in the Far East*, 263-264. For an account more favorable to Japan, see G. H. Blakeslee, ed., *Japan and Japanese-American Relations*, 263-264.

³⁷ *Foreign Relations*, 1908, pp. 511-512.

some point on the Chinese Eastern branch of the Tran-Siberian Railway. Not content to acquiesce in Japan's obvious purpose to exclude competitive American commercial and industrial enterprise from southern Manchuria, in 1910 Secretary Knox proposed the temporary internationalization of the railroads of Manchuria pending the formation and execution of a plan that would return them to China.³⁸ Japan blocked this by concluding with Russia an alliance that provided for the mutual defense of their Manchurian interests against any third power of powers.³⁹

Prior to 1909 the United States had not been a party to any international loan to China. In that year, however, a three-power consortium (Britain, France, and Germany) was about to conclude a loan of \$30,000,000 for the construction of the Hankow-Canton (Hukwang) Railroad. After having evaded the request of Secretary Knox, the Chinese Government responded favorably to the personal appeal of President Taft to the Emperor, *via* the regent, urging that American bankers be allowed to participate in this loan.⁴⁰ Thus was brought into being the Four-Power Consortium, and thenceforth the United States might insist that the "Open Door" principle had been expanded to include equality of investment opportunity. In 1912, at the suggestion of Secretary Knox, Russia and Japan were admitted to the Consortium, which was then in process of negotiating a loan of \$125,000,000 to the young Republic of China under the presidency of Yuan Shih-kai. This loan was to be secured by the revenues derived from the salt gabelle, in the administration of which the Consortium powers were to participate. President Wilson, who was inaugurated before the loan was consummated, declined any responsibility in behalf of American bankers on the ground that the stipulated conditions would impair the administrative integrity of China.⁴¹ The loan was made by the other members without American participation. Then came the European War which left Japan, minus Wilson's scruples, as the only Consortium member in a position to make further loans to China. The Japanese loans that were made be-

³⁸ *Foreign Relations*, 1910, 234-245; Morse and MacNair, *op. cit.*, 537-540.

³⁹ H. M. Vinacke, *A History of the Far East in Modern Times*, 196ff.

⁴⁰ *Foreign Relations*, 1909, 149-150, and 178-179; *ibid*, 1910, 269-292.

⁴¹ Frederick E. Lee, "The Significance of Foreign Financial Control in China," *Annals of the American Academy of Political and Social Science*, November, 1925, pp. 138-139.

tween 1914 and 1918 were mainly of a questionable political character, seemingly designed to foster Japanese hegemony in China.⁴²

Japan's sinister intentions were disclosed to the rest of the world through the eleventh-hour publication of the infamous "Twenty-One Demands" in 1915. Taking advantage of the pre-occupation of the European powers, Japan sought by these demands not only to violate the principle of equal commercial and investment opportunity, but also to reduce China to a state of vassalage to Japan.⁴³ Fortunately these demands were divulged in time to save China the humiliation of accepting those that were most offensive and destructive of Chinese sovereignty, and Japan assured the United States that the treaties into which the remaining modified demands should be incorporated would not conflict with the "Open Door" principle. In this assurance, however, Japan evidently was conceding only the narrower significance of the "Open Door," that is, mere equality of commercial opportunity.⁴⁴

In an effort to retrieve the partial reverse sustained incidental to the "Twenty One Demands" Japan turned to its allies in the European War for secret treaties pledging support of Japan's designs upon Shantung (the German leasehold, the Shantung Railway, etc.) and the German insular possessions which Japan had occupied in the Pacific. Then, following the entrance of the United States into the European War, Japan sent Viscount Ishii to Washington to demand recognition of Japan's "Special Interests" in China. Apparently by hinting the withdrawal of Japan from the war, or possibly by intimating that Japan might even go over to the side of Germany if its claims were treated with indifference, Ishii secured an agreement which the Japanese press heralded as a Far Eastern "Monroe Doctrine."⁴⁵ Although Japan, on Lansing's insistence, had re-affirmed its adherence to the "Open Door" principle, including the territorial integrity of China, the Lansing-Ishii Agreement remained a source of embarrassment to the United States Government until it was abrogated by mutual consent of the two governments incidental to the Washington Conference in 1922.

⁴² Grover Clark, *Economic Rivalries in China*, 63; Morse and MacNair, *op. cit.*, 63.

⁴³ Paul S. Reinsch, *An American Diplomat in China*, 129-134.

⁴⁴ See Vinacke, *op. cit.*, 381-383, for summary of the treaties of 1915.

⁴⁵ *Foreign Relations*, 1917, pp. 264-265; Griswold, *op. cit.*, 214ff.

At the Paris Peace Conference President Wilson side-stepped Japan's demands for recognition of the principle of racial equality and opposed its demands for the transfer of Germany's Shantung interests to Japan and for Japanese annexation of German insular colonies in the Pacific. Faced by the threat of Japan's withdrawal from the Conference, Wilson finally yielded in the case of Shantung and consented to Japanese mandates over the islands in question, while Japan abandoned its demand for recognition of racial equality.⁴⁶ The mandated islands were not to be fortified and the "Open Door" principle was to be applied; but it does not appear probable that Japan long observed these restrictions, and recent events have produced concrete evidence of treaty violation prior to the attack on Pearl Harbor. At Paris, Wilson also objected to a Japanese mandate over the island of Yap, but acquiesced on the basis of Japan's (implied?) promise to negotiate a satisfactory adjustment with the United States.⁴⁷ The negotiation was consummated incidental to the Washington Conference in 1922.⁴⁸

This Conference produced also the treaty which seemed to be the crowning achievement of long and persistent effort on the part of the United States to secure effective recognition and application of the fundamental principle of its Far Eastern policy, that is, the Nine Power Open Door Treaty. By this treaty, the contracting parties (other than China) voluntarily and solemnly obligated themselves to respect the territorial integrity of China, to adhere to the principle of equal opportunity for the trade and industry of all nations in China, and to make no secret agreements with or concerning China.⁴⁹ This treaty, together with the Five Power Naval Treaty, the Four Power Pacific Treaty, the Yap Settlement, the abrogation of the Lansing-Ishii Agreement, and the commitments pertaining to the return of leaseholds and the restoration of tariff autonomy to China, had all of the appearances of a diplomatic achievement pregnant with the possibilities of an enduring peace in the Pacific Area.

For a time the improvement of the Far Eastern international situation justified optimism. Even Sino-Japanese relations moved in the direction of better understanding, and Japan made rapid

⁴⁶ *Foreign Relations*, 1919, I, *et passim*; Griswold, *op. cit.*, 239-258; Robert Lansing, *The Peace Negotiations*, 247-267.

⁴⁷ *Foreign Relations*, 1921, II, 263-287.

⁴⁸ *Foreign Relations*, 1922, I, 599-604

⁴⁹ *Ibid.*, 276-282.

strides in retrieving markets lost through the Chinese boycott of Japanese goods.⁵⁰ This tendency, with but slight temporary setbacks incidental to the Chinese Nationalist Revolution of the late 1920's, kept pace with the contemporary democratic tendencies in Japan until Japanese militarists precipitated the Manchurian crisis in the fall of 1931. In all probability the Manchurian incident was devised to afford Japanese militarists, the heirs of *Samurai* traditions, an opportunity to make themselves "indispensable" to their country lest precedent and custom should effect the subordination of the military to the civil authority in Japan⁵¹ No vital Japanese rights or interests of a legitimate character were menaced. Japan had access to the markets and resources of China on a treaty-sanctioned basis and was most advantageously situated from a geographical standpoint; hence, although Japan suffered from overcrowded population in Honshu and from paucity of some essential resources, there was no justification for the cry of *Lebensraum* at the expense of China.

Here was the proper time to arrest Japanese aggression, and for the fact that it was not stopped the United States must share the responsibility, perhaps to a greater extent than the American people generally have supposed. The United States, it will be recalled, co-operated with the League of Nations down to the completion of the "Lytton Report" and its acceptance by the Assembly of the League.⁵² The next logical step would have been the imposing of a rigid economic boycott upon Japan, with the full co-operation of the United States; but President Hoover was unwilling to join in such a boycott,⁵³ and thus Japan was allowed to defy the League with impunity. Secretary Stimson had declared, however, that the United States would not recognize a settlement that was effected by resort to force and in violation of the treaty rights of the United States.⁵⁴ The League hoped that Japan would be re-

⁵⁰ These observations are made on the basis of the writer's observations incidental to a four-year sojourn in the Far East.

⁵¹ G. H. Blakeslee, *Conflicts of Policy in the Far East*, 12-14.

⁵² Manley O. Hudson, *The Verdict of the League*, 5-88, *passim*. The *Official Journal* of the League of Nations for the years 1931 to 1933 is the basic primary source.

⁵³ R. L. Wilbur and A. M. Hyde, *The Hoover Policies*, 601 and 603; Hudson, *op. cit.*, 86-88; *Official Journal*, 1933, Special Supplement No. 111, 97-99.

⁵⁴ Department of State, *Press Release*, January 9, 1932, p. 41.

strained by world-wide public opinion;⁵⁵ but, supported by public opinion at home, Japanese militarists had scant regard for external condemnation.

Since that time Japan has been guilty of one act of aggression after another. Jehol Province was conquered and annexed to the Japanese puppet state of Manchoukuo. Then Japanese penetration and occupation of Eastern Inner Mongolia was pushed vigorously on the pretext of the necessity of a buffer state between Manchoukuo and Russian-protected Outer Mongolia. Next the provinces of Chahar and Hopeh in China Proper were detached from China *via* a Japanese-sponsored autonomous movement. Here began an insidious and very persistent effort on the part of the Japanese imperialists to draw Shantung Province and several neighboring provinces away from Nationalist China.⁵⁶ Generalissimo Chiang endeavored to forestall a showdown, acquiescing in Japanese demands when there appeared to be no other alternative but war. He hoped within five or ten years to unite the Chinese people so effectively and to make China's power of resistance so strong that a Japanese onslaught would be doomed to failure. Aware of these potentialities, the Japanese militarists increased their pressure; and when Chiang, backed by crystallized Chinese opposition to further concessions, assumed a more adamant attitude towards the aggressors, Japan easily found a pretext for attacking China.⁵⁷

What Japan elected to call the "China Incident" began in the summer of 1937. Japan's intentions were progressively revealed to be nothing less than hegemony over the whole of China and the establishment of a "New Order" in eastern Asia. This would involve the partitioning of China under several Japanese "puppet" governments, recognition by the "Treaty Power's of Japan's sole responsibility for the peace of that part of the world,⁵⁸ the scrapping of the Nine Power Open Door Treaty along with several other treaties which Japan claimed to be obsolete, the sacrificing of virtually all of the investments and other economic interests of

⁵⁵ *Foreign Policy Reports*, IX, 263-265.

⁵⁶ Vinacke, *op. cit.*, Fourth Edition, 539-554; John Gunther, *Inside Asia*, 116-119.

⁵⁷ Gunther, *op. cit.*, 118-121; Hauser, *Shanghai: City for Sale*, 297-299 and 306ff.

⁵⁸ For evidence supporting most of this summary, see S. Shepard Jones and Denys P. Myers, editors, *Documents on American Foreign Relations*, July 1939-June 1940, II, 241-323, *et passim*.

Americans and Europeans in China, the unrestrained exploitation of the Chinese by Japan, and Japanese control of man-power and resources on such a scale as to make the Japanese dream of world conquest something more than a will-o'-the-wisp.⁵⁹

Whether right or wrong, the treaties of the United States are part of the "supreme law of the land." American nationals were as much entitled to the protection vouchsafed to them by treaties pertaining to China as are Texans or Louisianians to the rights and liberties safeguarded by the amendments to the Constitution of the United States. This was a matter of vital importance to the five thousand American nationals in metropolitan Shanghai and to other thousands scattered throughout China when Japan began its attack in 1937. Moreover, while violating unscrupulously the treaty rights of American citizens Japan was also violating its own solemn treaty obligations; hence it was doubly culpable.

In giving Japan a free hand in China the United States would have sacrificed a great deal more than the property of American nationals, which probably had a value of less than a half-billion gold dollars. The potential importance of the "Open Door" also must be taken into consideration. The United States held first place in the foreign trade of China at the outbreak of the Sino-Japanese conflict,⁶⁰ and the character of American investments was such as to nourish a fast-growing demand for American goods. This was especially true of the millions of dollars which American churches and philanthropists had invested in missions, schools, hospitals, and other institutions which were spreading American cultural influence in China. Numerous bombings have been indicative of the determination of Japanese militarists to liquidate this influence.⁶¹ Of some material interest to the South is the fact that Japan planned to render the Japanese cotton textile industry

⁵⁹ Bemis, *op. cit.*, 672; Carl Crow, *Japan's Dream of World Empire: The Tanaka Memorial*, pp. 32-33; 114-116.

⁶⁰ United States Department of Commerce, *Monthly Trade Report, China*, February 15, 1939, p. 3; United States Department of Commerce, *Special Circular No. 402—Division of Regional Information*, p. 3. The trade of the British Empire with China forged slightly ahead of that of the United States in the latter part of 1937, due probably to the favorable situation of Hongkong at that time.

⁶¹ See address of Ambassador Joseph C. Crew to American Japanese Society, in Jones and Myers, *op. cit.*, 258-259. The statement is supported by the testimony of many missionaries and by the American Association of Shanghai.

independent of the American supply of raw cotton by forcing the Chinese peasants to produce the same kind of cotton at such a low cost as to enable Japan to compete successfully for any or all accessible markets. Incidentally the cotton textile industry of China, which depended upon American raw cotton, was to be stifled and the United States was to lose the Chinese market for cotton textiles as well as the raw cotton markets of both Japan and China; and that would be only the beginning.

It would seem that all of these interests, both actual and potential, might well have been sacrificed in the interest of peace, notwithstanding that it would have been a blow to our national pride, if such sacrifice had been a positive guarantee of permanent peace. The experience of China and Chiang Kai-shek, however, probably demonstrate the futility of trying to appease Japan. We may conjecture that concessions on the part of the United States would have merely whetted the Japanese appetite for more; that any retreat would have been construed as an evidence of weakness that would tolerate still further aggression. Such a retreat would have given Japan unimpeded access to oil, rubber, and other valuable resources of the Philippines, Thailand, Malaya, and the Netherlands East Indies. Fortified with these powerful factors in power politics, Japan hardly would have been willing to leave the United States entirely free to determine where its retreat should stop.

Undoubtedly a policy of firmness on the part of the United States was needed a decade ago, and such a policy should have been supported by an effective program of preparedness. It is probable that such a policy would have prevented war in the Pacific Area, although it likely would have been opposed by many who are now criticising the United States Government for having been caught unprepared. Unfortunately out of deference to pacifist sentiment the United States met Japanese encroachment and outrages with nothing more potent than diplomatic protests and reservations, except in the case of the sinking of the *Panay*, and hypocritical Japanese apologies were generally accepted. Meanwhile our country was supplying Japan with the sinews of war, not only to be used against the Chinese, but also to make possible the accumulation of a reserve for the slaughter of Americans and their allies. While the United States was protesting and vacillat-

ing, Japan was making far-reaching and thorough preparation for war. When at last the United States began to resort to more impressive measures—such, for instance, as the termination of the commercial treaty of 1911 with Japan,⁶² the subjection of Japan to an economic boycott that became more effective as the months passed,⁶³ the extension of financial aid to China while withholding such aid from Japan, and the freezing of Japanese assets in the United States—the Japanese Government replied by menacing the United States with closer co-operation with the Axis. Japan could not then abandon its demand for recognition of the “New Order” without irreparable loss of face; and, conscious of its tremendous military might, it was willing to assume the risks of a war rather than relinquish previous gains and the prospect of securing control of the rich resources of southeastern Asia and driving the white man out. Once more the democratic countries had waited too long to arrest the aggressor.

We are too close to recent events to be able to appraise them with any degree of assurance; however, there is fairly plausible ground for the assumption that Kurusu’s “flying mission” to Washington was only a ruse, whether he knew it or not, and that the stage had already been set for war even if there had been no “sneak” attack on Pearl Harbor. It is the opinion of the writer that Japan, continuously in the rôle of the aggressor since 1905, must bear most of the blame for the war; that the United States, though its skirts have not always been immaculately clean, is fighting for a cause that is sufficiently commendable; and that the tragedy is amplified by the fact that the United States had not prepared for war in such a way as to require relatively small sacrifice of American lives.

⁶² Department of State, *Press Release*, July 29, 1939, p. 81.

⁶³ Jones and Myers, *Op. cit.*, II, 797 and 800, etc.

Book Reviews

Edited by O. DOUGLAS WEEKS

The University of Texas

Hackett, Charles Wilson, (Ed.), *Pichardo's Treatise on the Limits of Louisiana and Texas*, Vol. III. (Austin: the University of Texas Press, 1941, pp. xxii, 623.)

In October, 1808 Father José Antonio Pichardo, of the Oratory of San Felipe Neri, was commissioned by the Spanish Government to prepare a treatise on the boundary between New Spain and Louisiana, for the special purpose of refuting the claims to Texas which the United States was then asserting. Three and a half years later the priest delivered his completed work of 3,000 folio pages.

Pichardo divided his work into an Introduction and Four Parts. The Introduction, Part I, and a part of Part II of the treatise were translated and edited by Dr. Hackett in 1931 (University of Texas Press, Austin); Hackett's Volume II, which appeared in 1934, continued with Pichardo's Part II; and now Hackett's Volume III completes Pichardo's Part II and includes a considerable part of his Part III. Dr. Charmion Clair Shelby assisted in translating the work. The editor states that a fourth and final volume of the English translation of this treatise will appear later.

Perhaps the most important contribution in Volume III of the English translation is Pichardo's account of the route of the De Soto expedition after it discovered and crossed the Mississippi River in 1541. The editor's eleven-page introduction makes the data submitted by Pichardo more comprehensible. Among other items of interest (most of which have not been available hitherto in print and in English) are an informational letter from Texas by Father Damián Massanet, founder of the first mission in the province; several documents pertaining to French intrusions in New Mexico in the eighteenth century; data concerning Governor Sandoval, who was accused of laxness in guarding the frontier against the French in about 1738; and documents pertaining to the famous neutral ground agreement entered into between United States officials and those of Spain in 1806.

Before he began his work Father Pichardo must have made two vows: first, to leave out nothing that pertained in the remotest degree to the Louisiana-New Spain boundary; and, second, never to hurry. He begins Part III with the comment that God himself decreed that rivers wherever possible should be the boundaries of kingdoms, witness *Genesis*, chapter 15, verse 18. He adds that Strabo says that rivers are the natural limits

of territories and so does Cicero. He introduces a map drawn by the celebrated French geographer D'Anville and devotes three pages to setting forth D'Anville's virtues. But even that is not enough; he explains that the map was made by the order of "the famous, wise, and pious Louis de Orleans" and assures the reader that such a good man would not have a map made for any evil purpose.

If all this seems unduly naïve and tedious, let the reader be patient. Let him follow the priest through document after document and map after map, gleaned from a hundred different sources and integrated with the precision of a mosaic, and he will agree with Hackett that Pichardo's work has stood the test of time. Modern scholars could add nothing of consequence to the priest's defense of Spain's claim on Texas, and probably only a few would have the patience and the knowledge of historical evidence to do the job so well. Some of the most interesting items in the treatise were at that time the least consequential; for instance the wail of Lieutenant José Gonzales at the post of Los Adaes just after his daughter had eloped with a French soldier.

Dr. Hackett's editorial work in this volume is up to the high standard set in the two preceding ones. He follows Pichardo through an array of classical, medieval, and modern writers, corrects his spelling, completes his citations, corrects the few mistakes he made, supplies information when necessary, and cites other pertinent sources. His bibliography alone is a substantial contribution to the historical literature of the Spanish Southwest.

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RUPERT N. RICHARDSON

Whitaker, Arthur P. (Ed.), *Inter-American Affairs, 1941*. An annual Survey: No. 1. (New York: Columbia University Press, 1942, pp. 240).

With this survey Professor Whitaker initiates an analysis of inter-American relations which will not be limited to any particular period of time but will parallel, as it were, the development of events. He intends to offer every year an authoritative and comprehensive summary of the most important facts of the preceding twelve months in the reciprocal dealings of the nations of the Western Hemisphere, in a critical and interpretative form.

Survey No. 1 is indeed an encouraging beginning. The reader will find in it more than one illuminating point. Its contents are divided into the four groups of activities which usually have a decisive bearing on international relations, namely politics, economy, culture, and social evolution. Each problem is approached by some well known expert, as follows: *A Half Century of Inter-American Relations, and Politics and Diplomacy*, by Arthur P. Whitaker; *Economics and Finance in 1941*, by George Wythe; *Cultural Relations in 1941*, by William Rex Crawford; and

Public Health, Social Welfare, and Labor, by William L. Schurz. The survey ends with a Summary and Prospect, by Professor Whitaker. In the Appendices are included trade statistics, data on United States investments in Canada and Latin America, and information on area, population, chief executives and ministers of foreign relations, besides an inter-American chronology for 1941. Two maps and an outline of air communications are offered.

By its essentially political nature, the section taken by the editor under his charge lends itself to wider and newer views, and Professor Whitaker fulfills his role by expressing some original ideas with complete frankness. In explaining the goal of the Survey, in the Foreword, he says that the present moment "has given a new urgency to questions that we could afford the luxury of ignoring in time of peace." This disregard for certain questions which in time of peace seemed negligible (or that it appeared so to the poor statesmanship that characterized all the leading democracies in the last fifteen years) was undoubtedly due, to a certain extent, to the clear-cut line of separation prevailing in the past between internal and international affairs, which now is fading away more and more. Hence the necessity of focusing the inter-american problems as integral and not merely as matters of diplomatic or political connections.

Professor Whitaker points out that, when the "new imperialism" commenced to evolve in Europe in the last third of the nineteenth century (he calls "new imperialism" the Asiatic and African expansion of Great Britain, France, Germany and the Netherlands), it was obvious that Latin America presented itself as "the very large Achilles heel" of the Western Hemisphere; and he reminds that the first observer to perceive the danger clearly was Henry Cabot Lodge when, in 1895, he warned that South America might become a "second Africa." This realization was, in fact, the origin of Pan Americanism. The weak point was South America, and steps should have been taken to fill this gap. Through South America the "new imperialism" might take hold of a large part of the Western Hemisphere, and only the United States was in a position to frame some sort of a protection. Canada and the United States were in a certain way immune to the "new imperialism"—"Canada because it was already part of the strongest of these empires, and the United States because it was itself emerging as one of the great powers in both a military and an economic sense." But South America was defenseless.

For a long time the program of Pan Americanism was "a rather negative one, being directed towards the removal of barriers to inter-American intercourse rather than towards the promotion of such intercourse." But with the advent of the Good Neighbor Policy, Pan Americanism acquired a positive character, and today the Pan American Union has powers

even to go to the political field. Incidentally, it is worth while to note that Professor Whitaker traces back the Good Neighbor Policy to the Hoover administration, without denying, of course, that it gathered its decisive momentum under President Roosevelt and Secretary Hull.

According to Professor Whitaker, the attitude of aloofness of Argentina in the present inter-continental movement should be attributed to her fear that some measures may be regarded "as tending towards hemispheric isolationism." We must not lose sight, however, of the fact that usually in the international behavior of Argentina, there is a powerful element of pride. Argentina is very sensitive to any action that may be construed as relegating her to any but a leading position. She does not feel at home whenever the leadership of the United States becomes obvious. This is the way she acts. Even outside of the continent she has shown this "self-resentment," as, for example, when she spectacularly withdrew from the League of Nations in the early stages of the League's history, solely because her views were not accepted.

The University of Texas

PABLO MAX YNSFRAN

Spengler, Joseph J., *French Predecessors of Malthus*, (Chapel Hill: Duke University Press, 1942, pp. xi, 313).

It is natural that in a country like France the increase or decrease in population would attract attention and result in the serious consideration of the effect of population problems upon national welfare. Doctor Spengler has brought together in this volume the contributions that were made to population theory in relation to the economic and social changes which took place during the seventeenth and eighteenth centuries. He introduces us to the subject with a chapter on pre-eighteenth-century population discussions. Population problems became a matter of concern after the Black Death and the Hundred Years War in the fourteenth century and the influence of these calamities was a matter of concern in the times of Colbert, Fenelon, and Vauban, who anticipated the theses of Malthus, Boisguillebert, and others. The widespread belief during the sixteenth and early seventeenth centuries that states are natural enemies, and war, therefore, is rather inevitable, influenced the thinking of public officials and social thinkers concerning the best methods of strengthening the nation through the conservation of its population. "The true riches of a kingdom are in its men" was the general belief of the times. Most of the thought on the subject favored the increase in the population and suggested policies for preventing depopulation. But this period of economic and social history, according to the author, "has revealed nothing resembling full-bodied population theory". That was not to develop until a later period.

Population theory began to take more definite form during the first half of the eighteenth century and found expression in the writings of

Melon, Goudar, C. J. Herbert, and others. Physiocratic literature had its beginning during this period when the relation of agriculture to population problems began to receive serious consideration. The population problem became increasingly important in France during the latter half of the eighteenth century when thoughtful men began to realize that the population was declining and that it was necessary to stimulate increase through governmental action. This resulted in what Doctor Spengler calls the repopulationistic philosophy, which found expression in the writings of Jaubert, Chevalier de Cerfvol, J. Faiguet de Villeneuve, and Mirabeau. Serious consideration was given by these writers to the subject of checks to population growth. Many of them believed that population growth is conditioned by the variability of substance and employment. The views of some of them in discussing moral checks to population growth brought on serious controversies, but the effect was to stimulate widespread interest which was taken up later by Richard Cantillon, Mirabeau—whose *L'ami des hommes* was widely read—Condillac, and others, most of whom laid the foundation for physiocracy. Doctor Spengler gives us an interesting and excellent summary of the writings of the physiocrats and their contribution to population and labor economics. He places large emphasis on the contribution of Quesnay to the body of this literature, which, of course, is well understood by most social theorists.

One of the most interesting chapters in the book is on the contribution of the philosophers of eighteenth-century France to this subject. He analyzes the views of Voltaire, Rousseau, Diderot, Montesquieu, Turgot, Condorcet, D'Alembert, Helvetius, and others, on population theory. The author takes issue with those who contend that Helvetius was the original precursor of Malthus, but points out that he did say that "the extreme multiplication of citizens" would have the effect of depressing of wages down to the bare subsistence level. He also pointed out that subsistence wages were the result of economic inequality. Helvetius had the discernment also to see that the aggregate of wealth is not so important as a fair distribution of wealth and income upon the strength of a nation and the happiness of a people.

In discussing the non-physiocratic economists of France, the author surveys the economic liberalism of this group and calls attention to the fact that Turgot, in discussing the wage theory, approached very closely to Malthusianism when he asserted that the "population growth" is governed primarily by the supply of subsistence, but he took a divergent point of view when he condemned indiscriminate charity on the grounds that it "diverted resources from productive uses, destroyed wealth, increased the number of idle, multiplied disorder, and burdened the industrious". Turgot was influenced, of course, by his wage fund doctrine rather than the sociological point of view of Malthus. It seems that Isnard, in his efforts to give a statistical basis to population increase,

approached nearer to the Malthusians.

It appears that economic and sociological thought in France concerning population was rather a by-product of the study of wages, luxury, and international trade—the predominating thoughts in the minds of these writers—and that the main population problems were brought into the discussion more or less incidentally. This point of view made most of these writers populationists and restriction on population growth did not move into the center of the picture until after the time of Malthus. The trend of thought in France undoubtedly was greatly influenced in the nineteenth century after Malthus wrote his essay and its contents became familiar to the social scientists in that country.

University of Oklahoma

W. B. BIZZELL

Kalijarvi, Thorsten V., and Associates, *Modern World Politics*, (New York: Thomas Y. Crowell Company, 1942, pp. ix-843).

"Why another book on international relations when the market is already flooded with them?" With that question Professor Kalijarvi begins his preface to this new, if not the newest, volume attempting a comprehensive view of world politics. He answers his own question as follows: (1) The acceleration of international events has outmoded most of the present books; (2) Today the scholar tends to throw off his usual objectivity in order to preserve his country's stake in the present war; (3) The texts written prior to the present war fell under the spell of the ideals of international legality and efforts in behalf of peace at any price, and many were written in a firm conviction that the myths of isolationism and appeasement were realities; (4) "Too many writers, especially during our years of 'neutrality', disregarded the most obvious brutal aspects of power politics, unable to see that power can no more be dispensed with in dealing with certain nations than the police force can be abandoned in the maintenance of domestic order"; and (5) "Too many treatments of world politics have fallen under the spell of Marxian approaches, which have been found wanting since the psychological, esthetic, religious, and irrational aspects of society have proved fully as important as the economic phases."

In addition to and in elaboration of the foregoing reasons, it is stated that since the volume was prepared under the impact of war it "reinterprets the background of world affairs from the stand point of the tragedies of yesterday"; that it attempts to review world currents as realistically as possible without . . . abandoning hope for the reconstruction of society, on a basis which will allow for the ideals of peace"; that "economic determinism is avoided as the sole interpreter of world politics". And finally to quote the preface once more, "The present work . . . claims . . . the distinction of including chapters dealing with military and psychological warfare, the problems of espionage and treachery, the

new pseudo-science of geopolitics, international secret organizations, and peace planning, which the authors rightly consider as innovations in a book on world politics.

In general this volume covers all the items usually found in the standard texts on international politics. In that respect the material is naturally nearer down to date. As to the new topics considered, many readers will, at first approach, be a bit surprised. Even this reviewer opened his eyes a little wider at encountering chapters on "Military Organization and Institutions", "The Art of Generalship", and "Sea Power in Modern War". But, after all, if power is the key to world politics, and many, if not most, writers on the subject agree that it is, then why omit from a book on world politics a consideration of those instrumentalities which are the ultimate expressions of such power?

Similarly, to the tender minded, such subjects as fifth columns, treachery, espionage, and secret organizations as instruments of power politics are ugly things, but they are realities in international affairs, and it is not safe to close our eyes to them because they are not pretty. The authors of this book have not done so.

On the whole the book is well done. No reader will agree with the authors on all points. One virtue of the book is that the authors themselves, and there are eighteen of them, are not always in agreement.

The University of Texas

A. R. HATTON

Gurvitch, George, *Sociology of Law*, (New York: Philosophical Library and Alliance Book Corp., 1943, pp. xxii, 309).

If one is anticipating here a study of jurisprudence or of the philosophy of law, he is destined for surprise. The fault lies not at all in the title, but rather in the meaning which the author breathes into the word "law." John Austin would certainly have welcomed the opportunity to review this book. John Stuart Mill would have regarded it as sheer mysticism.

In recent years, through the efforts of Pound, Llewellyn, Cardozo, Holmes, and Timasheff, considerable attention has been focused upon the sociological basis of jurisprudence. There is justification for honest attempts to fit a system of justice into the facts of social organization and environment. This marks a fundamental development in the field of jural theory. It represents a retreat from legal formalism.

Mr. Gurvitch is only incidentally interested in jurisprudence. He uses "law" in the sense of scientific truth, in the sense that Comte and the early positivists employed the term. The mere statutes, enacted by a legislative body, are only temporary regulations adopted within the province of basic truth, i.e., of the sociology of law. He is searching for the basis of social dynamics and becomes, therefore, a student of metaphysics rather than a student of jurisprudence.

There is no objection to such a study. There is objection only to the

use of nomenclature in a manner contrary to accepted definition. The author is not using law as we understand it. Many scholars are guilty of a like error when they refer to a written constitution as fundamental law. A constitution is not law. It represents only intellectual and moral convincements relative to the basis for government. A violator of a constitutional provision incurs no penalty if there is no statutory enactment providing for a penalty. The constitution represents a mere area of moral agreement.

The author labors meticulously over the task of discovering the fundamental moral convincements of social groupings—the labor union, the export corporation, or the local government agency. This represents unquestionably a groping not dissimilar to that of the pluralists of past decades. He merely substitutes the professional nomenclature of the sociologist for that of the political scientist. Though earnest in his endeavor, he has not pushed beyond the points reached by Duguit and Laski. The author insists that legal order is not state order; it is social order. Each group in society has its own jural values, its own law. Most jural scholars would readily agree that individuals and groups have their own special reactions to questions of social importance. Law properly so-called, as Austin would say, is the instrument through which these heterogeneous evaluations formally become the standard of human behavior for the whole populace. For most of us, there is still a distinction between formal legislative enactment and emergent moral principles which become accepted standards of behavior in the field of the common law.

The work is an honest piece of scholarship, though it suffers from verbosity and duplication.

University of Oklahoma

CORTEZ A. M. EWING

Martin, Roscoe C., *The Growth of State Administration in Alabama*, (1942, pp. x, 96), University of Alabama Bureau of Public Administration, *A Handbook of Alabama State Agencies*, (1942, pp. ix, 203).

The Growth of State Administration in Alabama and *A Handbook of Alabama State Agencies* were both issued by the University of Alabama Bureau of Public Administration and are complementary in nature. To consider the latter first, the *Handbook* lists one hundred and one departments and institutions classified under twelve broad functional groups. Each agency is summarized in terms of legal basis, date of creation, authorization, organization, method of financing, duties, and its operative or inoperative status. The organization factor is further subdivided to show, with regard to each supervising agent or agency, the method of selection, qualifications, term of office, method of removal, compensation, and duties. An appendix reconciles the *Handbook*, as to certain omitted agencies, with the *Growth of State Administration in Alabama* which supplies much background material of a most informative nature.

This background of the State's administration is carefully analyzed, but not by simply sketching the development of the component parts. Rather, administrative growth from 1820 to 1938 is measured, both as to extent and direction, by each of four criteria, namely, number of functions performed, physical growth of administrative machinery, expansion of personnel, and development of finance. The growth of administrative organization is examined from three points of view: how the administrative machinery came into being, significant administrative practices which have developed, and efforts toward administrative reorganization. Personnel is treated only in terms of the growth in the number of employees and not with respect to personnel administration. Both disbursements and receipts are analyzed in applying the criterion of finance.

Among principal points developed in the study are general observations that few functions once undertaken are abandoned, that services undertaken expand and soon create a demand for new machinery, and that the Federal government has greatly influenced the rise of State administration in Alabama. Apart from these general observations, significant trends noted, among others, show as many functions added from 1907 to 1938 as from 1823 to 1907, reveal a more rapid rate of growth for administrative machinery than for numbers of functions performed, point to a much larger expansion of personnel among the newer functions, and indicate that taxes have decreased in importance while non-taxes have increased since about 1910, Federal funds being a most important factor among the non-taxes. While these observations and trends are subjects of frequent generalization, much value attaches to supporting them by carefully analyzed data in specific situations. This is admirably accomplished within the limits set forth and should prove useful in pointing the way for future developments in Alabama. By way of showing the relationship between this study and the *Handbook*, it should be observed that an appendix shows a functional grouping of state administrative agencies as of December 31, 1938, with the legal basis and date of creation of each, which information was brought up to date and presented with more completeness in the *Handbook* issued at a later date.

The University of Texas

HOWARD A. CALKINS

Shirley D. Southworth and John M. Chapman, *Banking Facilities for Bankless Towns*, (pp. 75).

Maurice Megram, *The Organization and Functioning of Branch Banking in England and Wales*, (New York: American Economists Council for the Study of Branch Banking, 1941, pp. 37).

The publication of these two studies brought to a total of seven the published studies on branch banking sponsored by this Council.

In England and on the Continent branch banking has been established and has functioned successfully. In the United States the system was

quite widespread before the Civil War, but the National Bank Act did not authorize national banks to establish branches. In many states, however, branches were permitted to state chartered banks, and in the course of time this handicapped national bank development in such states. Beginning in 1927, but especially since the Banking Act of 1933, national banks have been authorized to establish branches in states in which state banks were permitted to do so.

Between 1921 and 1933 the number of unit bank failures was disgracefully large, and thousands of towns lost their banks. These and communities which never had a bank constitute the "bankless towns," the estimated minimum number of which is, according to Southworth and Chapman, over 7900. Of the several plans for providing banking facilities for these towns the authors favor branch banking, though limited power branch offices would suffice for most of the places.

A brief account is given of cooperative banks in Arkansas, but this solution of the problem of bankless towns is evidently not regarded as satisfactory by Southworth and Chapman. Of the states of the Southwest, Arkansas, Louisiana, and New Mexico permit branch banking, but Oklahoma and Texas do not. Bank failures in Texas in the period 1921-1932 amounted to 464 and in Oklahoma to 346. In such records as these that branch banking advocates cite most often in support of their case.

Neither of these studies is comprehensive; neither gives the arguments for and against branch banking, and neither is adequately historical. Their scope was intentionally narrowed, but they nevertheless provide desirable information about the English and American situations. Both publications may be obtained free upon application to the publishers, whose address is Post Office Box No. 467, New York City.

The University of Texas

EDWARD T. MILLER

Tsang, I-Mien, *The Question of Expatriation in America Prior to 1907*, (Baltimore: The Johns Hopkins University Press, 1942, pp. 128).

In *The Question of Expatriation in America Prior to 1907*, I-Mien Tsang takes up the problem for the United States up to 1907 in a thesis for the doctor's degree. He first shows that the doctrine of indelible allegiance became imbedded in the English common law and was confirmed by a statute of 1708, which adopted the principle of *jus sanguinis*. The first challenge to this doctrine came in the Declaration of Independence when Jefferson put forward the idea that expatriation was a natural right. On the other hand, Hamilton did not accept the idea that expatriation was a right belonging to the individual, and the judiciary, which felt that it must follow the common law as inherited from England, was in general inclined to agree with him. Congress was inevitably faced with the question when it came to discuss the first naturalization law.

Varieties of opinion were expressed, but the law recognized the right since it only required the candidate to foreswear allegiance to his former country and to swear allegiance to the United States. Occasional controversies with other nations arose up to the Civil War, especially over the right of "impressment" with England and over the right of the naturalized citizens' former country to require military service when he returned. Buchanan took the extreme view when he declared that the new citizen was entitled to protection wherever he went. The question subsided in the Civil War period, but in 1868 Congress adopted in unqualified terms the right of an individual to expatriate himself. Even before this act was passed, Bancroft secured the signing of a treaty by the North German Confederation recognizing that when a German became naturalized in the United States, he ceased to be a German citizen, although he might be held liable for unperformed military service. Other treaties followed in rapid succession, including one with Great Britain in 1870. Thus the other nations came to accept our idea in practice, if not in theory.

Judging by the name, the author of the monograph is a foreigner, yet he has done an excellent job in tracing the history of the idea of expatriation as a right in the United States up to 1907. The only criticism that the reviewer has to offer is that the author might have brought out more clearly that expatriation is a matter of municipal law, not international law.

The University of Texas

DAVID Y. THOMAS

Schmidt, E. B., *An Appraisal of the Nebraska Tax System*, (Lincoln: The University of Nebraska, 1941, pp. 200).

Professor Schmidt has added Nebraska to the already extensive list of states for which there is a competent, reasonably up-to-date survey of the tax system. The first thirty pages are introductory. The bulk of the volume (pp. 31-150) is devoted to property taxes. Two chapters (pp. 151-187) are concerned with privilege, personal, and commodity taxes. The author pleads for more emphasis on the state and local tax system as a whole, as distinguished from analysis of individual taxes (pp. 2, 3); but he finds room for but one chapter (pp. 188-193) dealing with the Nebraska system as a whole. Chapter XI is a general concluding statement. Although gasoline taxes have recently produced around half of the total Nebraska state tax revenue (*Tax Institute, Tax Yields: 1941*, p. 101), Dr. Schmidt gives but a little more than three pages to consideration of that revenue raiser.

As far as it goes, the analysis in *An Appraisal of the Nebraska Tax System* is effective and workmanlike. But, like the Nebraska tax system (if one may take tax systems of other states as measure), the book is decidedly unbalanced. This may well be the result of an effort to place

emphasis at points most in need of attention, most likely to receive consideration, or in terms of some other policy purpose. The presentation is interesting and (though the stylist may be bothered by certain formal idiosyncrasies), on the whole, effective. In the main, tables and charts are good.

Perhaps in the light of what has been said it is ungracious to complain, but certain phases of "the appraisal" leave much to be desired. For example: (1) It is concluded (p. 195) "The motor vehicle license tax is defective in its failure to require owners of trucks with . . . multiple axles to compensate for extra wear and tear to highways." The evidence that multiple axles *reduce* destructiveness is so clear-cut that students of motor vehicle taxation no longer find it necessary to footnote the fact. (2) After giving three pages to gasoline taxation and offering no indication that he has read the evidence to the contrary, the author concludes glibly: "The failure to exempt non-highway users from a portion of the gasoline tax interferes with the use of gasoline for industrial and agricultural purposes . . . The quality of the tax system would be greatly improved through correction of the foregoing defects." (3) The reader is assured that "the present single-entry system of accounting should give way to a *double-entry system of cost accounting*" (reviewer's italics).

University of Kentucky

JAMES W. MARTIN

White, Leonard D. (Ed.), *Future of Government in the United States: (Essays in honor of Charles E. Merriam)*, (Chicago: University of Chicago Press, 1942, pp. 274).

This book, edited by Leonard D. White, is a collection of essays on current and prospective problems of American government by former students of Professor Merriam. Unlike many similar attempts the book contains a high percentage of well-rounded and significant articles by specialized scholars who, in most cases, have endeavored to present a definite and opinionated view of their subject rather than a re-hash of the generally accepted truths concerning it.

Outstanding contributions are those of Professor Gosnell on "The Future of the American Party System," Professor Schuman on "World Politics and America's Destiny," Professor Albert Lepawsky on "The Future of Urbanism," and Professor Louise Overacker on "Trends in Party Campaign Funds." Other essays deal with government planning as a permanent element in the state, the relation between political leadership and the press, the problem of "Politics and Administration," the future of the civil service, trends in the development of the concept of sovereignty, and, lastly, the evolution of a "science" of Democracy.

Although no one will agree with all of the various ideas developed by the respective authors, this very disagreement will serve to stimulate and

fertilize further constructive research in the field.

The influence of the "Chicago School", and particularly of the personality and method of Professor Merriam, is abundantly evident, and both the institution and the man should feel well rewarded by these fruits of their labors of past years. A more candid and honest treatment of the present and future problems of American government could hardly be found, and for this reason, if for no other, the book commends itself to those who are concerned with the development and preservation of democratic institutions in our own country not only during the period of war but on into the brave new world which lies ahead.

U. S. Naval Operating Base,
Iceland.

H. MALCOLM MACDONALD

Study Committee—American Association of Schools of Social Work,
Education for the Public Social Services, (Chapel Hill: University
of North Carolina Press, 1942, pp. xiii, 324).

This volume is the result of a study undertaken several years ago in an effort to gain an insight into the potentialities of the public social services as a prospective field for the absorption of graduates of schools of social work. In addition to studies regarding the number of positions in each of the fields of public welfare, the volume undertakes to give information that should be of value to teachers and directors of schools of social work who are interested in adapting their programs to the needs of the times. On the whole the information contained in the work is quite enlightening from the point of view of future job prospects.

The study reveals the great extent to which public social services have developed since the passage of state and federal social security legislation beginning in 1935. The volume is rendered slightly less effective through a rather illogical arrangement of the materials by chapters. However, the data are highly important and since they are available in the study, any lack of logical arrangement should be no serious impairment to the usefulness of the volume.

University of Oklahoma

J. J. RHYNE

Book Notes

Designed in part to supplement *The Missouri Crime Survey* published by the Missouri Association for Criminal Justice in 1926 is *Law Enforcement in Missouri—A Decade of Centralization and Central Control in Apprehension and Prosecution (1931-1941)* by J. C. Heinberg and A. C. Breckenridge (University of Missouri Studies, Vol. XVII, No. 1, 1942, pp. 77). This study limits itself to the first two stages in law enforcement—arrest and prosecution—and details the part played by the State Highway Patrol, the Governor, and the Attorney-General's Office as central agencies of law enforcement within Missouri. Believing that the only policy for law enforcement officers is to enforce the law as it stands, the authors suggest that this can be largely realized by further perfecting the methods of central control but without going to the extreme of eliminating local sheriffs and prosecutors. Proposed measures include the clarification of the status and powers of the State Highway Patrol and the granting of power to some central agency, preferably the Attorney-General, to remove prosecutors from office when they fail to perform their duties. The latter is viewed as an improvement over the ouster suit. Of special interest is the account of the ouster from office of one sheriff (Jackson County) and two prosecuting-attorneys (Cole and Jackson counties) and the part played by state agencies in cleaning up crime in Kansas City.

H.A.C.

From Plan to Reality—Three. —A Third Report of Progress on the Regional Development of New York and Its Environs, 1929-1941 (1942, pp. ix, 70) is the third in a series of reports by the Regional Plan Association, New York, N.Y., dealing with the great metropolitan region surrounding the Port of New York and composed of twenty-two counties and 495 autonomous municipal units in New York, New Jersey, and Connecticut. Both the development of the region's physical aspects and the evolution of local, county, state, and Federal planning to guide this development are presented in this report which "constitutes a revised Graphic Plan so far as regional proposals for major highways, parkways, and parks are concerned and lays the basis for the post-war public works program by showing the most urgent gaps in the present systems of such facilities." Noted as significant are progressive zoning development dealing with methods of preventing overcrowding of land with buildings, bill board and sign control, and off-street parking of automobiles, and the influence of planning activity by Federal agencies, together with their regional and local branches, as they increase in number and scope and incorporate the planning approach in their operation.

H.A.C.

The publication of essays upon unrelated subjects in a single volume always leaves much to be desired. No matter how excellent the individual efforts may be, as to scholarship and style, the general effect of the work

is far less than if the entire collection had been organized around a central theme. The Walter Clinton Jackson *Essays in the Social Sciences* (Chapel Hill: University of North Carolina Press, 1942, pp. xii, 245) is no exception to the generalization. All eleven essays were written by faculty members of the North Carolina Woman's College, and, together, they constitute a lasting monument to the life-work of Dean W. C. Jackson. The book is undeniable proof of virility in the social science disciplines at that school. But four of the essays are upon strictly sectional subjects, three are upon general topics, and the remaining quartet seek illumination of that adumbrated area between the universal and the particular. A much finer contribution might have come from eleven essays upon the contemporary Southern scene. The chapters by Kendrick and Arnett are excellent, and that by Keister on the economic future of the South is both informative and courageous. C.A.M.E.

Adamantios Korais: A Study in Greek Nationalism, by Stephen G. Chaconas, (New York: Columbia University Press, 1942) is an evaluation of the character and opinions of one of the early intellectual precursors of modern Greek nationalism. As the author indicates Korais was predominantly rationalistic in his outlook, relying upon the revival of a purified Greek language, plus the spread of nationalistic education among the people to bring about the recreation of the Greek state. Essentially a scholar rather than a man of action, he mirrored the rationalist political doctrines of the eighteenth century but failed to apply them realistically to the problems of his homeland. Accordingly it is as a leader in cultural nationalism, rather than as an active revolutionist, that he assumes importance in Greek history. Of interest is the author's analysis of the relationship between Korais, his supporters in the bourgeoisie, and his opponents in the Orthodox Church. The monograph remains fundamentally a study of Korais and his theories and its significance as a contribution to the literature of cultural nationalism lies here. A well documented bibliography is included, much to the advantage of future workers in the field. H.M.M.

Aspects of a World at War is a transcript of a series of radio forums presented by members of the faculty of the Louisiana State University during 1941-1942. Each of the fourteen discussions is organized about some topic of current interest, such as: The Durability of Japan, Our Relations with South America, Southern Farms Produce for Victory, Economic Aspects of the Peace, etc. The wide variety of subjects is given unity by the fact that each is discussed in relation to the war effort. An interesting diversity of reactions to the problems discussed is insured by the fact that, in all, twenty-six different departments of the University are represented on the panels. The consideration of the topics suffers, however, as do all discussions under the same circumstances, because the limited time prohibits more than an introduction of the ideas

of the panel members, allowing no time to be spent in the development and extension of these ideas. Without development and extension these ideas carry little more conviction than an expression of non-expert opinion by a "man on the street." The questions raised and the sidelights indicated should be provocative of thought, but the sketchiness of the presentation limits the usefulness of the book.

B.M.W.

Economic Problems of War, by Raymond T. Bye and Irving B. Kravis, is a brief analysis of the present and the future problems created by a nation at war. Three major issues are discussed by the authors: First, the issue of mobilizing national resources from a peace-time to a war-time economy, giving rise to such problems as priorities, allocations, war wages, and the optimum work-week. Second, the issue of working out a non-inflationary scheme of war financing, giving rise to specific problems of the inflationary spiral, the inflationary effects of bank expansion, excess profits taxes, and forced savings. Third, the issue of the post-war political and economic world in which problems such as world government and economic depression arise. Simple diagrams of supply and demand are used in this pamphlet and aid in explaining why we cannot depend upon an automatic price system for solving production problems in war-time, and why we cannot have a successful system of price ceilings without rationing. This pamphlet supplements many of the chapters in elementary economics and offers a desirable source of collateral reading.

L.K.B.

Newsnotes from the Southwest

University of Arkansas: A new curriculum leading to a two-year certificate of Associate in Secretarial Science has been established in the College of Business Administration in response to the demand from government and industry for college trained secretaries and office trained supervisors. Some new courses in the management field are included. Emphasis is being given to industrial management, personnel management, production management, and price controls and priorities.

The University testing bureau has been established for coordinating tests for use in guidance of students. Dr. E. C. Erricson of the College of Arts and Sciences was Director prior to his taking military leave. The work is being continued by Dr. R. H. Waters.

Major Orville J. Hall, on leave from the Department of Rural Economics and Sociology, is an instructor in the infantry officers' training school at Fort Benning, Georgia. His family is with him.

Lieut. (jg) Trimble R. Hedges and Ensign Don A. Marshall, also on leave from the Department of Rural Economics and Sociology, reported to Naval training centers in February.

Julien R. Tatum is an instructor in the Department of Rural Economics and Sociology. Mr. Tatum received his undergraduate training at the University of Mississippi and has done graduate work at both Louisiana State University and the University of Minnesota.

Dr. Harold Hoffsommer of Louisiana State University is making his home in Fayetteville, headquarters of the Southwest Regional Tenure Study of which he is director.

Dr. H. J. Stover, statistician for the Farm Foundation, is also stationed at the University of Arkansas for his work on the Regional Land Tenure Research Project.

Northeastern State College, Talleguah, Oklahoma: Professor Charles G. Forbes, of the Department of History, author of "Flush Production" has been commissioned a second Lieutenant in the Army Air Force to work in the training program. He has taken leave of absence for the duration.

University of Texas: Lieutenant Delevan P. Evans, on leave from the Department of Government is teaching in the ground school Army Air Force at Struther Field, Winifield, Kansas.

Assistant Professor G. Lowell Field is on leave from the Department of Government to teach Navigation in the Naval Flight Preparatory School at the University of Texas.

Mr. Milton W. Maxwell has been appointed an instructor in the Department of Sociology.

Professor George W. Stocking of the Department of Economics has been appointed a member of a three man Emergency Board to hear the case of the Railway Engineers and the Firemen and Enginemen involv-

ing methods of computing pay and other matters. He has taken leave of absence from the University for the duration of the hearings which opened in Chicago, March 1.

Wayne University, Department of Sociology: A committee consisting of Florence Booth, Dr. Fritz Redl, and Dr. McClung Lee, Chairman of the department, has developed two curricula for the University's new pre-professional social work major. The curricula are for specialization in group work and casework, and are to be administered by the Department of Sociology in the College of Liberal Arts, with Professors Booth and Lee as advisers. The curricula are planned to aid: (1) the student who wishes a job immediately after graduation; (2) the student who is trying to decide for what type of social work he is best qualified; and (3) the social worker already working who is not eligible for graduate professional training. All students who elect a major in pre-professional social work must acquire 40 credits in the field of which a minimum of twelve credits must be in required general sociology courses. The graduate curricula in social work leading to the M.S.W. degree are supervised by the Graduate School of Public Affairs and Social work, of which Dr. Lent D. Upson is Director.

In the spring of 1943 D. Fritz Redl is offering three new courses: "The Practice of Group Leadership", "Preventive Planning in the Field of Juvenile Delinquency", and a graduate seminar in "Clinical Group Work with Children." Dr. Redl is cooperating with the research department of the Boy Scouts of America, in a study of "Leadership and Group Observation," that is being carried on simultaneously in Iowa City, New York, Springfield, Mass., and Detroit. He is also cooperating in the "Detroit Group Project," an attempt to study the application of group settings for diagnostic and clinical purposes in work with children. Recent articles by Dr. Redl are: "Group Emotion and Leadership", *Psychiatry*; and "Group Psychological Elements in Discipline Problems", *American Journal for Orthopsychiatry*.

Dr. H. Warren Dunham is serving on a university committee, the function of which is to effect a reorganization of all statistical offerings and perhaps to establish an integrated curriculum in statistics. Dr. Dunham is also offering a new course in the spring semester 1943, "Sociological Analysis of Human Behavior." His article on "War and Personal Disorganization" appeared in the *American Journal of Sociology*, November, 1942.

Dr. Alfred McClung Lee, chairman of the Department, is chairman of the University Committee on Post War Reconstruction. He has just been elected a member of the Board, Detroit Council of Social Agencies.

Dr. Edward G. Jandy, associate professor, is offering a new course in the spring semester, 1943, on "Collective Behavior." Dr. Jandy is cooperating with Dr. Dunham and Dr. Lee in a graduate seminar in field studies.

SOUTHWESTERN SOCIAL SCIENCE ASSOCIATION

Statement of Cash Receipts and Expenditures

For the Year Ending January 31, 1943

RECEIPTS

Membership:

Individual	\$ 603.00
Libraries	327.00
Sale of Individual Quarterlies	69.00
University of Texas subsidy	48.46
Institutional memberships	60.00

TOTAL RECEIPTS **\$1,107.46**

EXPENDITURES

Publication costs:

March Quarterly	\$ 265.79
June Quarterly	299.54
September Quarterly	291.28
December Quarterly	324.70

Total	\$ 1,181.31
Express	11.86
Office supplies	31.56
Postage	54.71
Convention programs	35.00
Convention expenses of Sec'y.-Treas....	29.57
Phone calls and telegrams	2.70
Postal permit	10.00
Bank charges49
Agents' fees	4.41

TOTAL EXPENDITURES **\$1,361.61**

EXCESS EXPENDITURES OVER

RECEIPTS **254.15**

Cash Balance, Jan. 31, 1942.....	\$ 409.08
Decrease in Cash for Year.....	254.15
Cash Balance, Jan. 31, 1943.....	<u>\$ 154.93</u>

REPORT OF AUDITOR

I have examined the Southwestern Social Science Association books of account and papers, consisting of the membership file of individual, institutional and library members, book of monthly deposits, book of cash receipts and expenditures, bank deposit slips, pass book, bank statements and cancelled checks, collections from dues, library subscriptions and sale of individual quarterlies, and paid invoices. The books of account and papers are consistent with the Treasurer's statement of cash receipts and expenditures for the year ending January 31, 1943 and the ending bank balance of \$154.93, which was verified by certificate of the Austin National Bank, Austin, Texas.

I recommend the following changes pertaining to the directory of individual members printed in the June issue of the *Quarterly*:

- (1) The list distinguish between members with dues paid in full and those with dues up to three months in arrears by placing an asterisk beside the names of the former.
- (2) The last day of the fiscal period, January 31, be the date used to determine paid and unpaid dues.
- (3) The list be printed in the March issue rather than the June issue of the *Quarterly*.

Respectfully submitted,
Joy Adams

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The supply of certain numbers is almost exhausted, consequently libraries and individuals interested in securing replacements of full sets should place their orders without delay. Volumes are unbound. Prices, which are net cash on delivery and cover transportation charges, are as follows:

\$2.50 per volume; \$0.75 per number.

PROCEEDINGS

The Association published the *PROCEEDINGS* of the Fifth and Sixth Annual Meetings (1924 and 1925). Some copies are still on hand and may be had at the following prices, net cash on delivery, with transportation prepaid:

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